

We're behind them all.

Hanson Trust makes £1.9bn takeover bid for Imperial Group

BY CHARLES BATCHELOR
HANSON TRUST, the fast-growing industrial holding company headed by Lord Hanson, last night launched a £1.9bn takeover bid for Imperial Group, the brewing, tobacco and food concern.

Coats opts for £690m Vantona counter-offer

BY ANTHONY MCCRACKEN, TEXTILES CORRESPONDENT
VANTONA VIYELLA yesterday launched a £690m counterbid for Coats, which would be agreed by Mr David Alliance, managing director of Vantona.

GEC ready to move on Plessey

BY IAN RODGER
THE GENERAL Electric Company could launch its £1.16bn takeover bid for Plessey as early as next week, says a source. GEC is currently confronting not only telecommunications but indeed the entire electronics industry in the United Kingdom, he said.

Imperial and United agree to merge

By Andrew Cornelius
Imperial Group and United Biscuits yesterday announced details of an agreed merger. The deal, which was signalled by the companies last week, will be completed by the end of the year.

Guinness plans agreed merger with Distillers

BY DAVID GOODHART AND MARK MEREDITH
A RECORD British takeover bid was unveiled yesterday when Guinness ended several days of speculation and announced a bid for Distillers.

Argyll extends offer for Distillers

By Charles Batchelor
Argyll Group, the supermarket concern which is bidding £1.8bn for Distillers, the Scotch whisky group, yesterday extended its offer for a further £100 million.

Burton claims victory in battle for Debenhams

BY MARTIN DICKSON
BURTON GROUP, the clothing retailer, last night claimed victory in its fiercely contested takeover bid for Debenhams, Britain's second biggest department store chain.

Now Rank goes for Granada

A £775 MILLION MOVE BY AMBITIOUS BERNSTEIN
by David Ireland
BACK in the City's good books and fresh from watching analysts coping with record profits, Rank Organisation has launched an ambitious bid for Granada.

When the dust finally settles on the corporate battlefield, there's at least one detail of their business lives that all these companies have in common. They all use Lotus software. So do most of the people who work with them, from their consultants, commercial bankers, merchant bankers and auditors, to their stockbrokers, solicitors and advertising agencies. A major company considering a £2 billion

investment needs the most reliable information technology it can get to support the decision-making process. Such companies are naturally drawn to the PC software with the most impressive track record. Lotus was launched in April 1982. Today we have offices throughout the world, programs available in 8 languages and an annual turnover of \$225,000,000.

And every product we develop enjoys the pedigree of the package that made our name and set the standard for the industry: 1-2-3. So if you're considering Lotus and you want to find out as much as you can, as quickly as possible, look at our bottom line. It's under the logo. **Lotus** THE MOST SUCCESSFUL SOFTWARE COMPANY IN THE WORLD.

Handwritten signature or mark at the bottom of the page.

S. African blacks welcome Tutu's sanctions call

BY JIM JONES IN JOHANNESBURG

BISHOP Desmond Tutu's call for international economic sanctions against South Africa has been widely criticised by businessmen and politicians inside the country, but applauded by the black community.

The different reactions underline the country's racial polarisation, with black people pointing out that sanctions are one of the few remaining weapons for peaceful change.

However, some white people expressed sympathetic understanding. Mr John Wilson, president of the Federated Chamber of Industries (FCI), was clear that Bishop Tutu "has undoubtedly expressed the frustrations of many blacks in calling for punitive international sanctions." But he added that the FCI could not support "a unilateral telescoping of the timetable for change asked for by the Bishop and to which he himself is committed."

Mr Wilson's views were echoed by Mr Raymond Parsons, head of the Association of Chambers of Commerce, who restated his organisation's view that sanctions would damage the economic growth which, he said, "remains an essential condition for evolutionary reform."

Hottest criticism came from the country's white right-wing political parties. Mr Jaap Marais, the leader of the Herstigte Nasionale Party, called for government action against the Bishop, whom he accused of "declaring war in the name of God."

To the left, Mrs Helen Suzman, the Progressive

Federal Party parliamentarian, declared her opposition to sanctions because of the damage they could do to black employment, but she added that if sanctions were imposed the blame should not be placed on Bishop Tutu but on the Government of President P. W. Botha.

In contrast to white opposition to the sanctions call, black organisations welcomed it as one of the few remaining means of bringing about non-violent change in South Africa. Mr Murphy Morobe, a spokesman for the broadly-based United Democratic Front opposition group, said: "Calling for punitive sanctions has become one of the last options open to people committed to peaceful change."

We hope that Bishop Tutu's call and that of the national education crisis commission in Durban will be seen by the international community as a desperate call from the African section of the South African society to exert more decisive pressure on this racist government."

Britain yesterday rejected the sanctions call by Bishop Tutu. The Foreign Office said the Bishop had advanced "no evidence to show that international, financial and trade boycotts would help to promote peaceful change."

"We continue to believe that such boycotts would only make matters worse. The important thing is to make every effort to get both sides in South Africa into dialogue as soon as possible in order to bring about fundamental political change, which we all want to see."

Editorial comment, Page 18

China to end special currency

CHINA plans to abolish its special currencies for foreigners and make the domestic renminbi the sole currency in circulation, vice premier Yao Yilin announced yesterday, AP reports from Peking.

The foreign exchange certificate was introduced in 1980 with the intention of curbing the black market in internationally convertible currencies. The certificates are used by tourists, resident foreigners and overseas investors and issued by denominations equivalent to the domestic renminbi (people's money).

The certificates will bring 1:20 to 1:20 renminbi in the black market. Chinese citizens also try to obtain them in order to buy imported goods normally unavailable to domestic shoppers.

Under the new system, all foreign currencies will have to be changed into renminbi, which has been devalued from 2.00 to 2.20 against the US dollar in the past two years.

"Foreign exchange certificates will be abolished" and other foreign currencies enforced by an increasingly repressive regime which forced into exile over 25 per cent of the country's population of 5.5m. A combination of misguided policies and economic mismanagement resulted in Guinea's decline in the ranks of the world's poorest countries, with a per capita income of less than \$30 a year.

The military, as they pointed out to the International Monetary

Peter Blackburn reports on a sense of optimism in Conakry after decades of decline Guinea bites the bullet of economic reform

THE MAIN seafront hotel of Conakry is full these days of foreign businessmen and aid donors while the capital's run-down streets buzz with renewed animation amid signs of recovery after a quarter of a century of political repression and economic ruin.

Two years after the military seized power, filling the political vacuum left by the unexpected early death of President Sekou Toure, there are hopes that a sweeping programme of economic reforms could lay the foundation for future growth and prosperity.

Guinea, with its vast mineral resources, fertile farmland and enterprising people, used to be regarded as the jewel in the crown of French West Africa.

But, after independence in 1958, President Sekou Toure spurred continued close ties with France saying "we prefer freedom in poverty to slavery in riches."

Guinea adopted the Soviet model of economic development, enforced by an increasingly repressive regime which forced into exile over 25 per cent of the country's population of 5.5m. A combination of misguided policies and economic mismanagement resulted in Guinea's decline in the ranks of the world's poorest countries, with a per capita income of less than \$30 a year.

The military, as they pointed out to the International Monetary

Fund, inherited an economy burdened by an "unproductive, underpaid and plethoric public sector," a banking system in a state of collapse and a grossly overvalued local currency.

Col Lansana Conte, Guinea's new leader, moved quickly to free political prisoners and end human rights abuses. He was much slower to devalue the syli and introduce other economic reforms for fear of a social backlash.

This hesitation led to an abortive coup last July by former Prime Minister Col Diara Traore who accused the Government of "dragging its feet" in tackling the "major economic crisis" confronting the country.

The revolt prompted the cautious and reserved President Conte to bite the bullet and, in the past few months, the Government has introduced a series of IMF and World Bank-inspired measures to reduce the scope of the public sector and promote private enterprise.

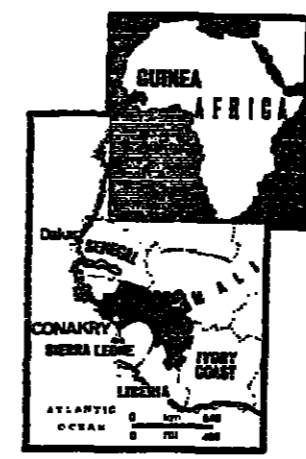
The main reforms are:

- A 93 per cent devaluation of the syli currency completed in January and preceded by the introduction of a dual exchange rate for domestic and external transactions three months previously.
- Immediately afterwards the syli was changed to the Guinean franc (GF) — a move interpreted by some bankers as facilitating Guinea's eventual reintegration into the franc monetary zone.

The new exchange rate of 81 to GF 340 greatly closes the gap with the black market rate of 410. Weekly foreign exchange auctions are planned in which licensed importers can help determine a realistic market rate.

The reforms enable the private sector to obtain foreign exchange through the banking system and to rejoin the "official" economy. Previously about 90 per cent of economic transactions were made at the black market rate. A more realistic exchange rate will also help to attract badly needed foreign investment.

- The six state-owned banks



have been liquidated and replaced by three Franco-Guinean banks. The central bank has also been restructured with IMF aid.

- About a dozen industrial public enterprises are to be privatised and another seven dissolved. Government subsidies for public enterprises will be limited to \$12m this year while water, electricity and transport tariffs will be raised to realistic levels.
- The 84,000-strong civil service is to be cut by up to 30 per cent this year with further cuts envisaged in 1987. New monthly cost-of-living and transport allowances introduced in January have helped to offset the inflationary effects of devaluation.
- Agricultural producer prices have been substantially raised to encourage increased local output and to make cross border smuggling less lucrative. The price of imported rice has been quadrupled to help local farmers and petrol prices tripled, thus reducing Government subsidies.
- A state trading company has been created to compete with private traders and help guarantee adequate supplies of rice, sugar, cooking oil and other basic food items.

However, some price increases have since been reversed due to popular protests and this has raised doubts about the Government's commitment to the reform programme, observers say.

The reforms paved the way for an SDR 33m (\$25.4m), 13-month IMF standby loan in February followed afterwards by a \$43m World Bank structural adjustment loan. Bilateral donors, including France, the US and West Germany, has pledged additional aid worth some \$75m.

Talks are envisaged this month on the rescheduling of the country's estimated \$150m external debt service due in 1986 as well as some \$250m of arrears. Guinea's total medium-term debt is estimated at \$1.5bn, mainly owed to official creditors.

Towards the end of this year the World Bank plans to hold a donors meeting to discuss the financing of a three-year recovery programme, giving priority to the rehabilitation of economic infrastructure.

Apart from a partial setback on prices, President Conte's Government, which now has a civilian majority, appears to be keeping to the reform programme. But the full inflationary impact of devaluation has still to be felt as well.

Many senior Government officials, veterans from the Sekou Toure era, are reluctant to implement the reforms which would also terminate their financial privileges. The recent resignation of Mr Jean-Claude Diallo, the Information Minister, was seen as a protest against continued corruption in high places.

Minister denies agreeing to lift Mandela banning order

BY OUR JOHANNESBURG CORRESPONDENT

Mr Louis Le Grange, South Africa's Minister of Law and Order, yesterday backed away from an apparent agreement on Wednesday to lift the Government's banning order on Mrs Winnie Mandela.

On Wednesday, Mr Ismail Ayob, Mrs Mandela's lawyer, announced that Mr Le Grange's department had agreed not to oppose a court application by Mrs Mandela to have it raised, effectively, that meant Mrs Mandela had been unbanished.

Mrs Mandela has been restricted by banning orders since 1962 and is also a so-called "listed person," which means she cannot be quoted in South Africa. The latest order has prevented her from living in her Soweto home since last year.

Banning orders, which are imposed by ministerial edict, have been used for over 30 years by South Africa's National Party Government to silence domestic critics. They were virtually unchallengeable until two weeks ago, when the Supreme Court declared recent bans imposed on "listed persons" invalid because Mr Le Grange had given insufficient reasons for imposing them.

Yesterday Mr Le Grange denied that he had agreed to lift the ban on Mrs Mandela, though he did say he was reviewing the order and that he was discussing the entire matter of banning restrictions with his department's legal advisers. Meantime, Mrs Mandela remains restricted and her lawyers are again preparing to challenge the ban in court.

Aquino official worked for Marcos family mine

BY SAMUEL SENOREN IN MANILA

A TOP official in the Government of President Corason Aquino managed the Philippines' second biggest mining company while it was owned and controlled by the family of former President Ferdinand Marcos.

The official, Mr Jaime Ongpin, who is now Minister of Finance in the Aquino Government, conceded yesterday that the giant mining enterprise, Benguet Corporation, with revenues in excess of \$135m (\$91.8m) was owned 60 per cent by the Marcos family.

Another company, Marcopper Mining Corporation with annual revenues of \$30m, was also discovered to be owned 40 per cent by the Marcos family.

Mr Ongpin, who was among Mrs Aquino's closest advisers during the election campaign, was president of Benguet until he joined the Aquino cabinet in February.

Mr Ongpin did not make any public disclosure on the ownership structure of Benguet during the election period, when Mrs Aquino openly accused Mr

Marcos of amassing wealth of scandalous proportions, estimated at between \$5bn and \$10bn in the Philippines and abroad.

A special commission formed by Mrs Aquino to track down the Marcos fortune has not yet officially identified Benguet as one of the companies owned or controlled by Mr Marcos, although it did list Marcopper Mining.

The Marcos family was able to buy control of Benguet from their American owners in 1974 by borrowing funds from the state-owned Philippine National Bank which is in distress.

The previous owners had to give up control of the company when their equity participation was limited to 40 per cent after the termination of an agreement which allowed US citizens to own properties and companies up to 100 per cent.

More than 15,000 strikers yesterday returned to work at the US Subic Bay naval base after a 12-day walkout, Reuter reports from Olongapo.

Sabah elections called in bid to break deadlock

BY WONG SULONG IN KUALA LUMPUR

ELECTIONS will be held in Sabah on May 5 and 6 in an attempt to break the year-old political deadlock in the troubled East Malaysian state.

Yesterday's announcement by the Malaysian Elections Commission in Kuala Lumpur increased speculation that Dr Mahathir Mohamad, the Prime Minister, might call for national general elections to coincide with the Sabah poll.

Dr Mahathir's five-year rule appears to be coming under increasing challenge, especially from his former deputy, Datuk Musa Hitam, and he would like a fresh mandate to consolidate his policies.

The Supreme Council of Dr Mahathir's United Malays national organisation will meet on Sunday, and an early general election is expected to be the main subject for discussion.

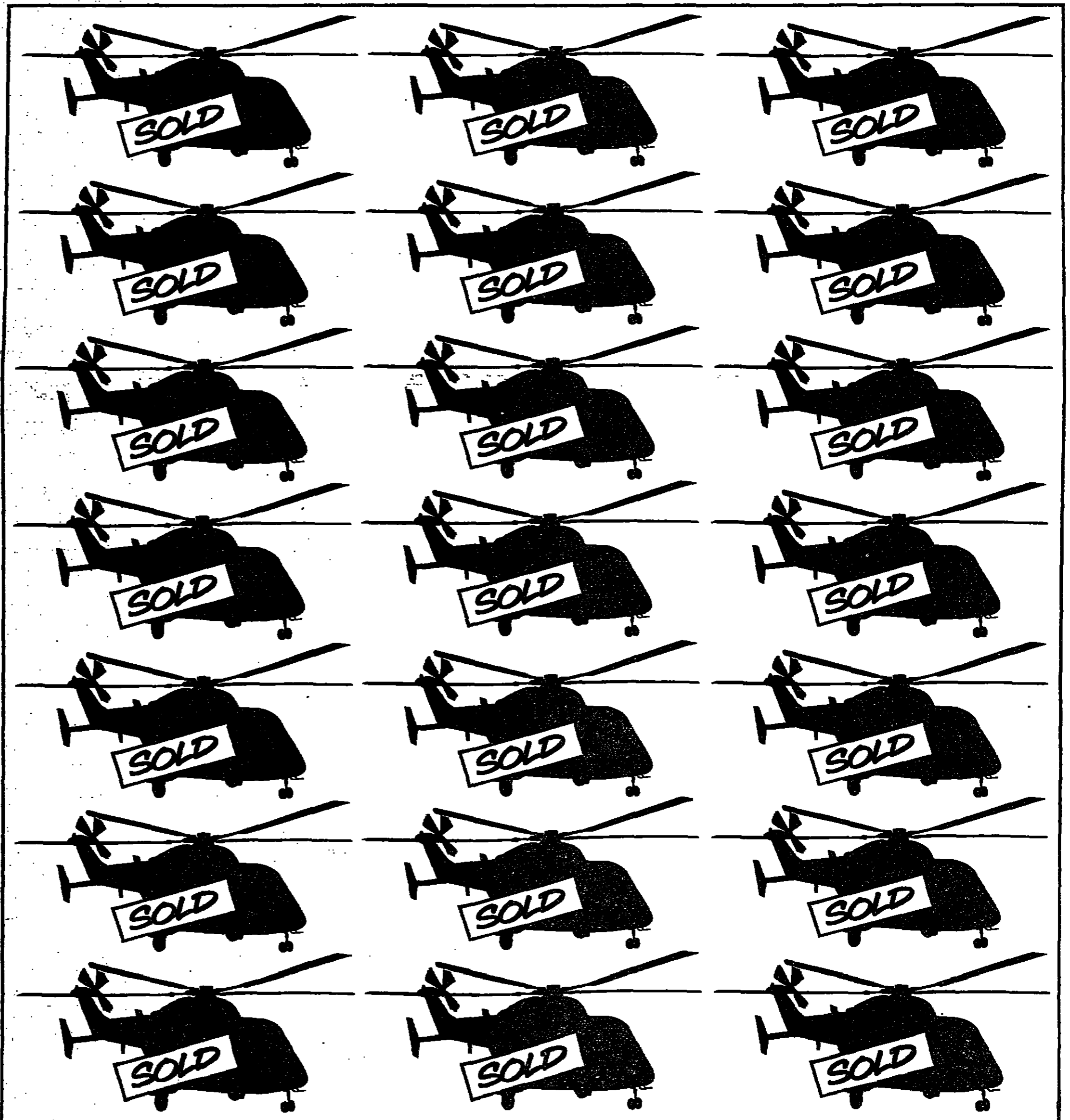
Malaysian elections are not due until April next year.

Tan Sri Kadir Tajib, the Elections Commission chairman, called on the Sabah's political parties to ensure a peaceful poll and to respect the election results.

More than 423,000 Sabahians are eligible to vote. The last Sabah election, held a year ago, was won by the Christian-led Party Bersatu Sabah (PBS), which secured 26 of the 48 state's legislative seats.

Last February several PBS state assemblymen defected, forcing Datuk Joseph Pairin Kitingan, the Chief Minister, to dissolve the legislature.

Sabah's 1.3m population is delicately balanced. The Christian Kadazans and Chinese have an edge as voters, but numerically the tilt is in the favour of the Muslims.



Enough Said?

Frankly, there's been more than enough said about Westland over the past few months. This ad is not about politics, it's not about recriminations, it's simply about success. What's more, success for the newly recapitalised Westland plc. Two days ago the contract signed recently, to supply 21 Westland 30's to the

Helicopter Corporation of India became effective. Three year's negotiation is over, two years of manufacture is about to begin. For an order worth over \$65 million. At the moment we've little else to say. (And anyway, if you'll excuse us, we've got work to do.)

WESTLAND
Westland plc Yeovil England

Some believe
history repeats
itself.

Others read
The Economist.

The
Economist

Your weekly view from London of World Affairs, Finance, Science.

UK NEWS

Finance pledged for planned newspaper

THE INDEPENDENT, the new quality newspaper being planned by former Daily Telegraph journalists, now has more than three quarters of its finance pledged...

BL's European car sales up 53% in quarter

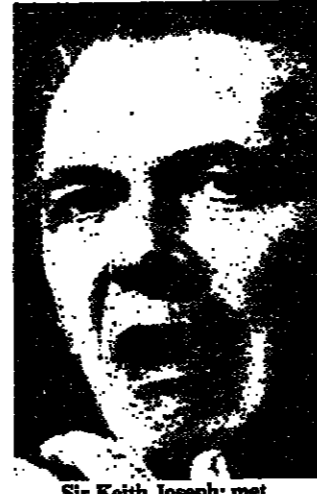
AUSTIN ROVER's sales in its main continental European markets increased by 53 per cent in the first quarter of this year...

Ladbroke to run betting industry in Netherlands

LADBROKE, the biggest name in British gambling, has been granted a 20-year exclusive licence to run the horse-race betting industry in the Netherlands...

Teachers claim to have lost confidence in their minister

DELEGATES to the annual conference of the second biggest teachers' union took a vote to stay silent yesterday to indicate to Sir Keith Joseph, Education Secretary...



Sir Keith Joseph met with silent protest

ferred and are boycotting preparation work. Sir Keith told the conference: 'You now ask your members not to take part in the programme of preparation...

Onshore drilling rebuff for Amoco

AMOCO, the US oil company has been refused permission to drill for oil and gas in a beam spot near Hastings on the Channel coast...

LV set for £2m promotion

A MARKETING drive worth £2m is to be launched on that humble British institution, the luncheon voucher...

Only 10 bids to run naval dockyards

THE NUMBER of companies wanting to manage the two naval dockyards under the Government's partial privatisation plans has dwindled further...

Dutch plan holiday village

A £10M TOURISM investment has been secured by the English Tourist Board (ETB) for a holiday village in Sherwood Forest, Nottinghamshire...

Mobile telephone price war widens

THE FIERCE price war for mobile radio telephone equipment has spread to the cost of using the service...

'Endangered' industry needs a survival plan, says ICI chief

MANUFACTURING in Britain has become an endangered species, says Sir John Harvey-Jones, chairman of ICI...

Finance snags end Wimpy's Indian venture

WIMPY INTERNATIONAL, which last year gave India its first taste of Western fast food, has ended its venture there after several months spiced with re-orientation...

Consultancy fees rise

TOTAL FEES earned in the UK by member companies of the Management Consultants Association (MCA) accounts for about 60 per cent of qualified consultants...

Pension value doubted

PERSONAL pensions are unlikely to provide benefits as good as those under the 'state earnings-related' pension scheme (SERPS)...

Liberal leader urges profit sharing

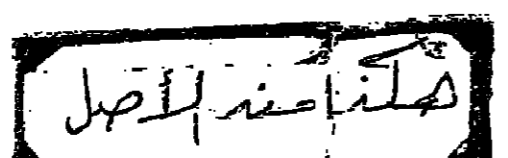
A BIG expansion of profit sharing and employee share ownership schemes to help regenerate British industry is proposed this morning in a pamphlet by Mr David Steel...

John Hunt reports on the Fulham by-election campaign

CAMPAGNING in the parliamentary by-election in Fulham, west London, has entered its final week with all the local opinion polls showing the Labour candidate ahead...

Alliance draws Labour fire

Labour concern over the possibility of tactical voting by some of its supporters. Mr Raynsford sent a letter to electors telling them that SDP workers would try to persuade them to remove Labour posters from their windows...



THE GLENLIVET — MUCH SOUGHT AFTER



For the Highlander, distilling whisky was as natural as breathing air. Generation after generation inherited a passion for turning the water of the glens into the 'water of life'.

Whisky wasn't just his traditional national drink. It was his bread and butter. Distilling was virtually the only way he could turn his victuals into cash to pay rents, reward his workers and to feed and shelter his family.

But by the middle of the 18th century, the government made this well nigh impossible.

Thirsting for revenue, it imposed prohibitive taxes on whisky making.

While some Highlanders were brought to their knees and paid up, many others took their stills and skills, and fled to the remote mountain areas to produce their beloved whisky illicitly.

The Highlanders see red.

Almost immediately, excisemen, or gaugers, were despatched North, to stamp out the practice and apprehend the offenders.

This angered the Highlanders. To them it was the government and its red-coated lackeys who were the criminals, taking the very bread from their mouths.

Robert Burns (who, ironically, became an exciseman later) expressed the nation's sentiments in venomous verse: "Thae curst horse-leeches o' th' Excise, Who make the whisky stells their prize! Haud up thy han', Deil! once, twice, thrice! There, seize the blinkers! An' bake them up in branstane pies for poor damn'd drinkers."

Such was the Highlanders contempt for the law that it was not even considered a disgrace to go to prison for illicit distilling.

Indeed, in Dingwall Gaol convicted distillers were treated with privilege, being allowed out on Sundays and special occasions.

One prisoner even approached the governor, with the remarkable proposition that they set up a still together in the gaol.

Such widespread defiance made curbing the outlaw whisky makers a hopeless task.

As one illicit still was closed down, another began. And in 1747, one particular still began, which was to become the most famous distillery of them all. THE GLENLIVET Distillery.

The Name Dropper.

The founder of THE GLENLIVET

In 1747, whisky was distilled with much conviction.



Distillery was one John Gow, alias Smith.

He was a veteran of Culloden, having fought and lost on the side of the ill-fated Bonnie Prince Charlie, and was forced to flee his old haunts near Braemar for fear of his life.

He took his family North, hid in a remote valley and dropped his gaelic name Gow in favour of Smith, to baffle the English soldiers.

(Which explains why such a Sassenach name appears on our label.)

There he settled down for a quiet, anonymous life of farming and, of course, illicit distilling.

The Well of Fortune.

As luck would have it, John Smith had made his new home in the precise spot where the water and the peat were the best in Scotland for making malt whisky.

He had discovered Josie's Well.

It is the pure Highland water that springs from Josie's Well that makes THE GLENLIVET so special.

We can't explain it. It just does. And there is no other well that performs the same magic. THE GLENLIVET made with any other water would not be THE GLENLIVET.

By the time John Smith's grandson George, inherited the still in 1817, the fame of the illicit GLENLIVET had spread far and wide.

"It is worth all the wines of France" opined the Doctor in Sir Walter Scott's St. Ronan's Well, "and more cordial besides."

Praise indeed for THE GLENLIVET's "cunning chemists," as Scott called George Smith and his workers.

Christopher North, who in 1827, wrote a famous series of sketches in Blackwood's Magazine, quoted James Hogg, the Ettrick Shepherd:

"Gie me the real Glenlivet, and I weel believe I could mak' drinking toddyoot o' sea-water. The human mind never tires o' Glenlivet, any mair than o' caller air. If a body could just find out the exac' proportion and quantity that ought to be drunk every day and keep to that, I verily trow that he might leeve for ever, without dying at a', and that doctors and kirkyards would gooot o' fashion."

Going straight.

Such a celebrated whisky couldn't remain illegal for long.

(Although outlawed, THE GLENLIVET was the toast of gentlemen,



lords and even kings. George IV of England was said to drink "nothing else.")

It was the Duke of Richmond and Gordon (George Smith's landlord) who eventually put THE GLENLIVET on the straight and narrow.

He persuaded Parliament to pass the Act of 1823 which made legal distilling worthwhile.

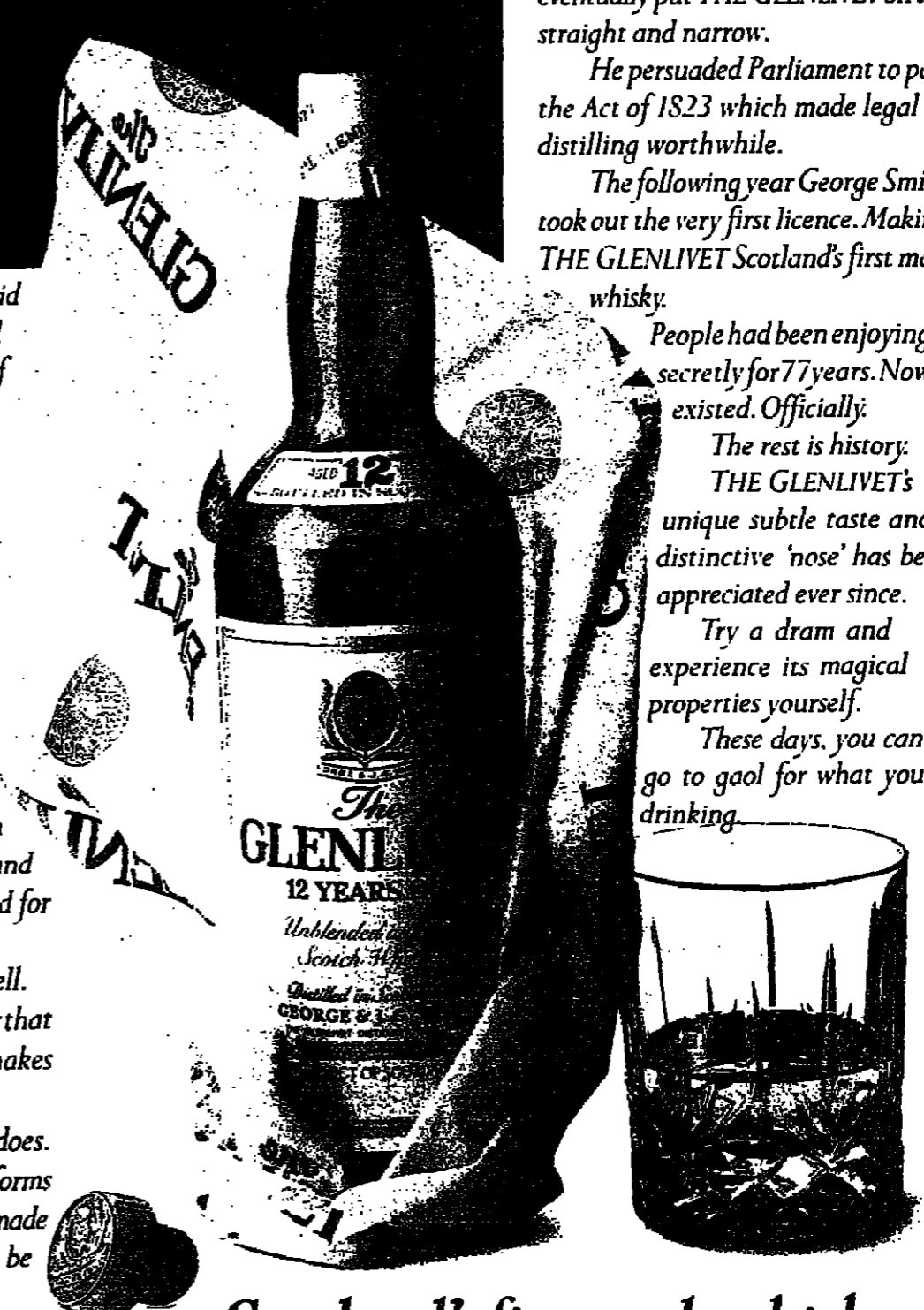
The following year George Smith took out the very first licence. Making THE GLENLIVET Scotland's first malt whisky.

People had been enjoying it secretly for 77 years. Now it existed. Officially.

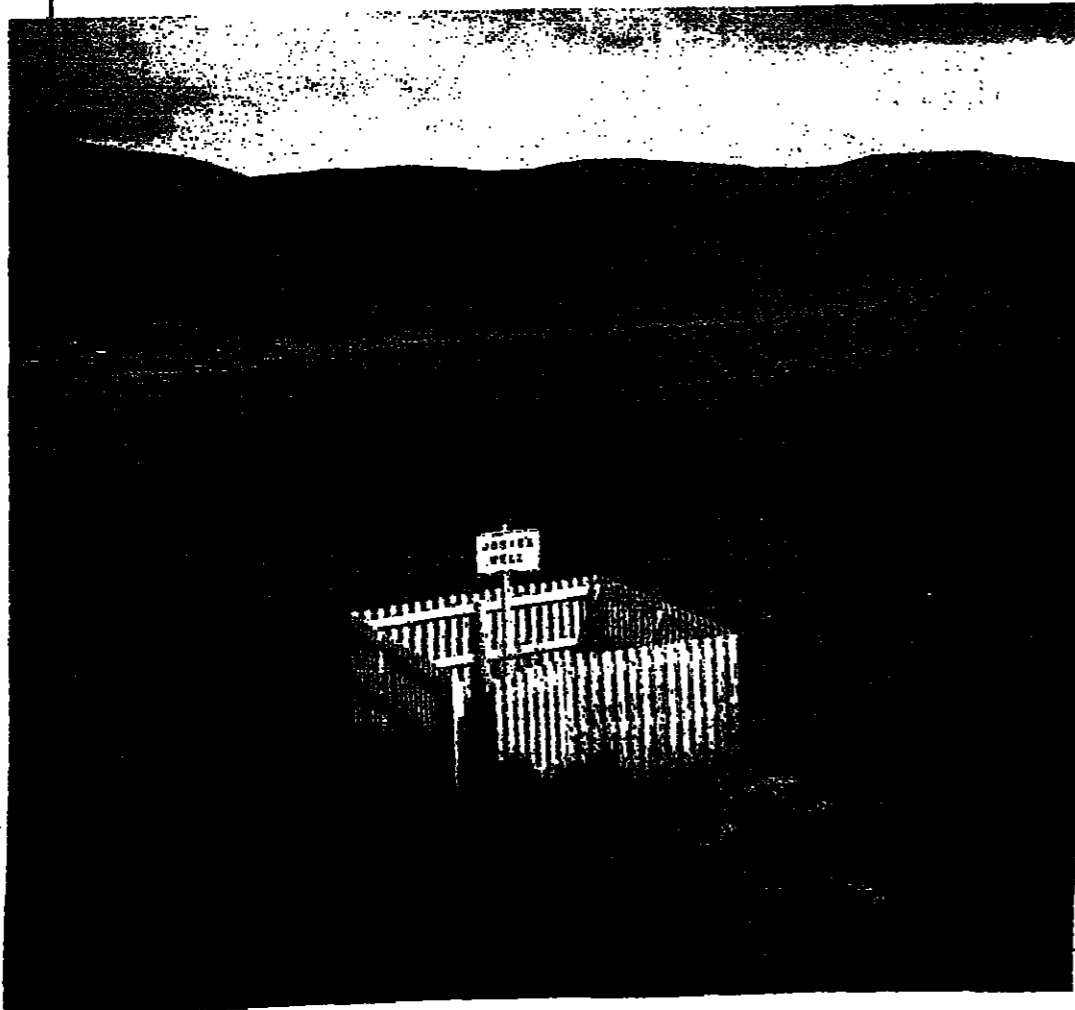
The rest is history. THE GLENLIVET's unique subtle taste and distinctive 'nose' has been appreciated ever since.

Try a dram and experience its magical properties yourself.

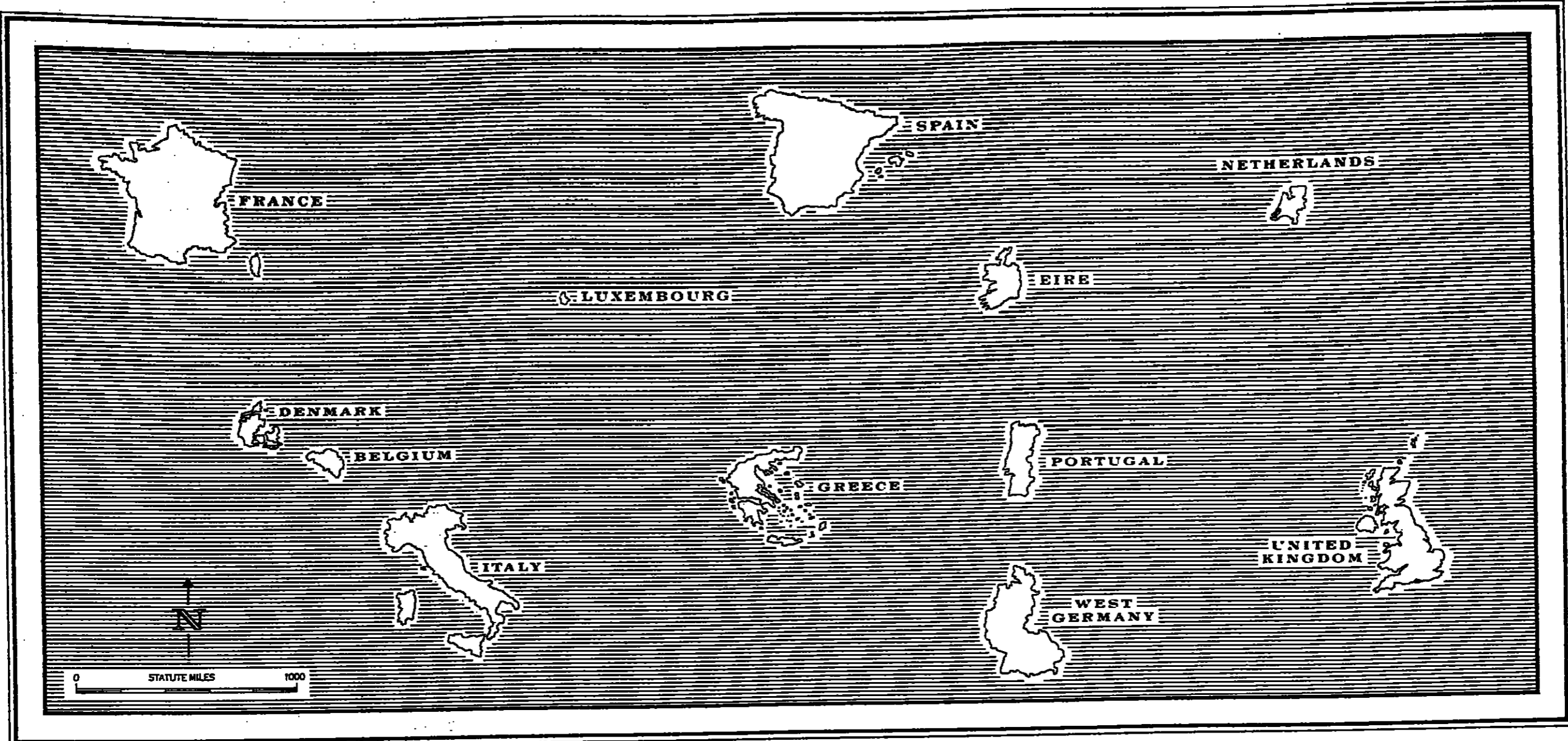
These days, you can't go to gaol for what you're drinking.



Scotland's first malt whisky.



© 1987 THE GLENLIVET DISTILLERS COMPANY. ALL RIGHTS RESERVED. REGISTERED TRADEMARKS OF THE GLENLIVET DISTILLERS COMPANY.



Europe doesn't exist.

'Europe' has been a convenient geographical expression for centuries. But even the creation of the Common Market has simply underlined the fact that its member nations are, in practice, miles apart. Contrasts in currency, tax regulation, company law and accounting procedure – not to mention language and culture – are gulfs not easily bridged by businessmen. KMG, the strongest international accountancy firm in Europe with 490 offices worldwide, is particularly well placed to help you break down the barriers.

Has the European Economic Community (EEC) really done anything to create a coherent business climate across its member nations' borders?

In many respects, the answer is yes.

The VAT laws, for example, have been brought into line – but even they vary in detail from country to country.

Overall there are still many more differences than similarities – and in some cases, EEC directives don't replace the old national laws but exist alongside them, and fail to achieve the harmony that was intended.

In fact the complications are such that you don't have to be American or Japanese to be confused by them.

The Europeans themselves have more than enough trouble understanding each other's way of doing things.

Then there are the countries *outside* the Community – Sweden for example – who have their own system of laws and operating practices which are different again.

KMG, accountants and consultants with 490 offices in 71 countries, is by far the strongest firm of its kind in Europe.

We're structured so that each member firm can operate in the way that suits its own clients best. (Rather than dancing to a tune composed several thousands of miles away.)

Thus, the one Engagement Partner you deal with can provide both the global expertise and control of a large international organisation, *and* the local knowledge you expect from a strong local accountant.

We have unmatched experience and expertise in guiding our clients through

it does across the boundaries between states back home.

The reality of course is different.

In the UK our client is the wholesaler while the members of its sales force are self-employed traders.

But in Italy the company is classed as the retailer, while its sales agents are

The most cost-efficient structure depends not only on the nation in which you're doing business, but also on the country in which your firm is based.

So an operating framework suitable for one company isn't necessarily right for another. And the variables don't end there. Are your company's profits likely to be made 'upstream' or 'downstream'?

Some countries offer tax concessions on one, some on the other – so your choice of manufacturing centre is crucial.

Tax rates on company profits also vary widely from country to country, with obvious implications for inter-company pricing.

The location and even the title given to a European HQ can be equally critical.

All these decisions must be taken well in advance, often as long as three years before you open for business, if they're to have the desired effect.

That's why you should talk to KMG sooner rather than later.

Anyone can hope for a more united Europe; but to deal with it as it is today you need all the help you can get.

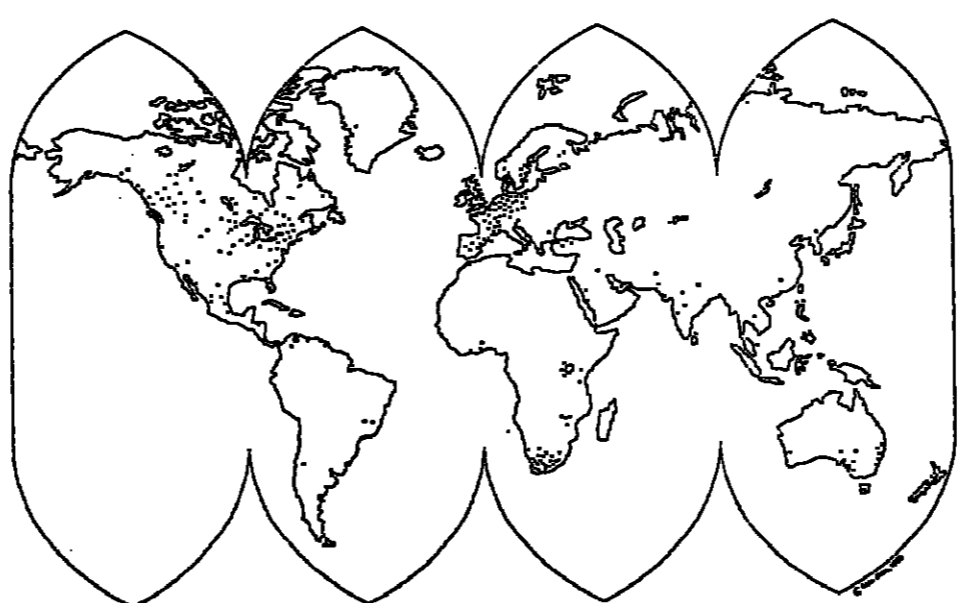
For further information about our worldwide network, contact the KMG International Executive Office in Amsterdam on 31 (20) 42 42 45.



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| Chad | Philippines |
| Chile | Portugal |
| Colombia | Qatar |
| Costa Rica | Saudi Arabia |
| Cuba | Singapore |
| Denmark | South Africa |
| Ecuador | Spain |
| Egypt | S.W. Africa (Natal) |
| Finland | Spain |
| France | Sri Lanka |
| Germany | Sweden |
| Greece | Switzerland |
| Hong Kong | Taiwan |
| Ireland | Tanzania |
| Italy | Turkey |
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| Kenya | U.K. |
| Lebanon | U.S.A. |
| Libya | Uruguay |
| Luxembourg | Venezuela |
| | Zambia |
| | Zimbabwe |



One of the world's largest firms of accountants and consultants with 490 offices in 71 countries.

Europe's diverse financial institutions and regulatory bodies.

For example, one of our clients is a fast-expanding pharmaceutical company based outside Europe.

In an ideal Europe this firm would be able to standardise its way of working, irrespective of national frontiers – just as

each paid an introduction fee.

Why? Because if the UK system was used under Italian laws, the VAT and income tax implications would leave both our client and its sales force worse off.

In France the regulations are different again, so we helped our client devise yet another *modus operandi*.

TECHNOLOGY

IS A new age of telecommunications about to be born?

A lot of people think so. They are the enthusiasts behind a sweeping technological change moving into the world's telephone system. It promises speedy, top-quality transmission not only of conventional telephone calls but of all manner of non-voice communication: computer data, telex, images, even video all on a single telephone line. It promises lower operating costs for telecommunications carriers, valuable services for users, and new markets for equipment makers.

If this all sounds very rosy, it also seems to a number of on-lookers, potentially, like one of the biggest fiascos yet in the teaming up of computer and communications technologies. There is every chance that the concerned parties—including carriers, users, and suppliers—will fail to agree among themselves on the development of compatible systems. The international telecommunications standards-setting body, the International Telegraph and Telephone Consultative Council, or CCITT, is trying to prevent this worrying scenario. Critics see a white elephant in the making, but CCITT is ploughing ahead to set standards for a worldwide network.

Because the network would be digital, integrated (carrying both voice and data on a single line) and offer services made possible by its intelligence, the concept carries the somewhat cumbersome name of the integrated services digital network, or ISDN.

Its task is not easy. The stakes are high and nobody wants to sacrifice his piece of the action.

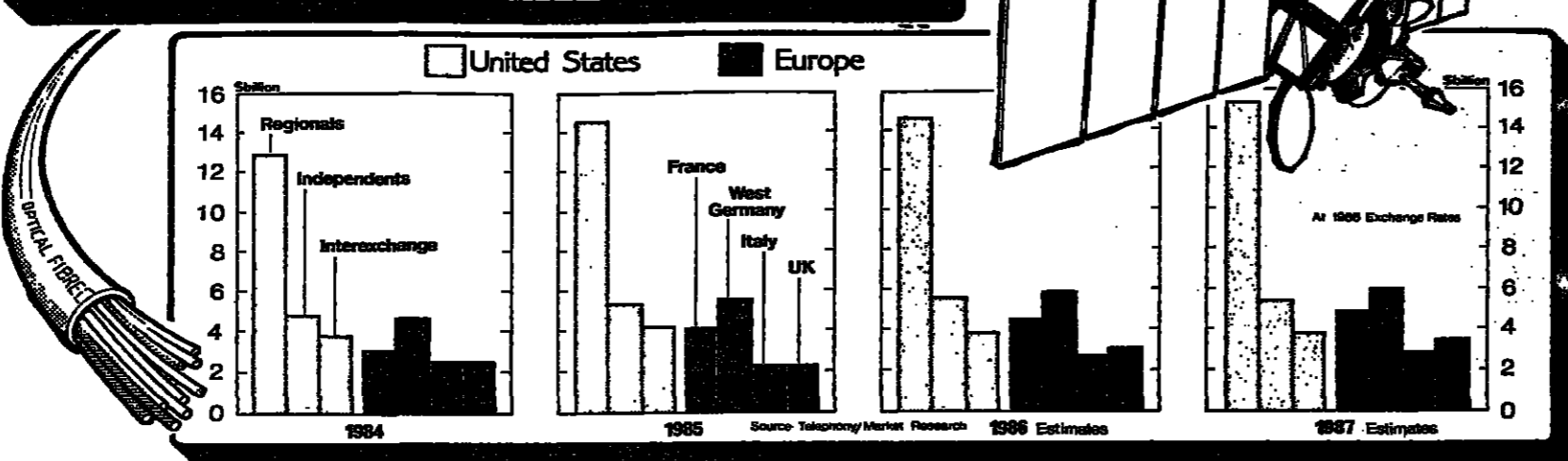
At the heart of the change are the 1s and 0s that are the digital language of the computer.

Communications, whether voice or data, will travel in digital form, instead of the conventional analog form upon which the world's telephone systems have been built.

The implications are enormous. The 1s and 0s can be manipulated in all sorts of ways not possible on analog systems. Digital information can be carried faster and with less degradation. But that is only the beginning.

The union of computers and communications means that intelligence can be built into the network, making possible services far beyond normal telephoning. Switching equipment, or exchanges, can be programmed to manipulate information in all sorts of ways. Data can be packaged into bundles for more efficient

TELECOMMUNICATION CONSTRUCTION EXPENDITURE



Enter the intelligent telephone line

transmission. Or services, such as encryption, electronic mail, or automatic format conversion so that computers of different makes can "talk" to each other, can be provided automatically. Other programs could ease data base access by, for instance, automatically cross-referencing requests with lists of sources. Applications, providing capacity (called bandwidth) is adequate, are limited only by the imagination.

This very wealth of possibilities is also the source of complications that could stall the arrival of the new order enthusiasts envisage. Whoever controls the intelligence controls the services which are set to account for a growing share of network revenues in the future. So the issue of where intelligence is located within the network is critical. It can be at various points, such as in central public exchanges, in private-branch exchanges (PBXs) on a company's own premises, or in various terminal equipment on hand to the user.

This struggle for domination is worsening as more of the world's telephone network goes digital. The shift is driven by economics: digital transmission lines and switching equipment need fewer people to operate and maintain them and cost less to run. Telephone operating companies are fast installing such equipment. For many, going digital is a matter of policy whenever new equipment is added or old equipment is replaced. The so-called local loop, lines to individual premises, will come last. It

could take decades, but experts believe total conversion to digital is largely a matter of time. Without standards, however, equipment in one location may not be compatible with that going in elsewhere.

To cope with these changes the CCITT is developing standards to govern what it sees as the evolution of a worldwide digital telephone network. It forges one grand global highway available to anyone and oblivious to such barriers as national boundaries or incompatible equipment, thus avoiding the very problem

could take decades, but experts believe total conversion to digital is largely a matter of time. Without standards, however, equipment in one location may not be compatible with that going in elsewhere.

Even among telephone network operators there are widely different motivations for creating ISDNs. In Europe, some powerful government telecommunications authorities (called PTTs) see ISDN as a way to extend their monopolies, controlling what services will be offered to whom and at what price.

West Germany's Deutsche Bundespost (Post Office) has aggressive plans for introducing

services, they are putting their own countries at a disadvantage. Critics are also worried that the PTTs will be in a position to use tariffs as a way of forcing ISDN capability on customers who do not necessarily want it.

By contrast, ISDN is developing in a more market-driven environment of the US and the UK. "The privatisation of British Telecom and competition from Mercury have spurred the feeling that you have to offer the customer more, that you have to think about what they want instead

Jane Rippeteau on computerisation of the world's communications network—what it means for users and suppliers

the computer industry got itself into with numerous non-communicating designs.

CCITT has already set important ISDN transmission rate standards that are being taken up by carriers and manufacturers. But much is unresolved, and further progress will require a balancing act of considerable skill.

The protagonists are a mixed bag of business users, equipment makers and telephone operating companies—some in monopolistic environments and some in deregulated climates. The desired incarnation of ISDN is different for each. "Saying ISDN is a little like saying motor cars," explains Malcolm Ross, a telecommuni-

cation analyst with A. D. Little in Weisbaden. "There are big ones, small ones, blue ones and yellow ones."

Even among telephone network operators there are widely different motivations for creating ISDNs. In Europe, some powerful government telecommunications authorities (called PTTs) see ISDN as a way to extend their monopolies, controlling what services will be offered to whom and at what price.

West Germany's Deutsche Bundespost (Post Office) has aggressive plans for introducing

of doling out technology," says Peter Copping, director at PA Computers and Telecommunication.

British Telecom is presently running a pilot ISDN service, with about a dozen business customers. Separately, it offers high-speed lines on a leased basis to companies choosing to build their own private digital networks.

A number of US carriers are also running tests or pilot schemes to find out what is anything their customers want. Wisconsin Bell is towing a trailer around the state to run demonstrations of ISDN capability. "It's for market research, and to inform customers of the technology we

cannot easily communicate with desired speed or volume. The companies want to be able to transfer major documents, hold video conferences, talk and view data simultaneously at two distant locations.

ISDN would make it possible, for instance, for a sales manager at headquarters to telephone a regional manager while at the same time calling up a sales graph on his desktop terminal and sending it to the regional office. The two could see and discuss the graph at once.

In the most extravagant example, General Motors went so far as to buy the Dallas-based computer services company Electronic Data Systems, partly to build such network capability. Many companies are attacking the problem on a lesser scale. In December, British Petroleum set up a new internal service it calls GROUPNET to link its London headquarters with Aberdeen and 11 other UK sites. Anybody who is connected can transmit voice, data, text and even images to any other connected location.

Participants in a third market sector are also jumping the gun into ISDN before universal standards exist. These are the equipment manufacturers. Operating companies buy billions of dollars worth of equipment every year; in the US the Bell companies alone spend some \$14bn annually, according to telecommunications analyst Mr Jack B. Grubman, at Paine Webber Inc in New York.

The emphasis today is not only on digital equipment, but digital equipment that either has or can be upgraded to handle ISDN, says Mr Ronald Weinbruch, a vice president for sales at Siemens Public Switching Division in Boca Raton, Florida. "In the US, the need for ISDN is no longer debated," he says. "It is now the critical thing in selling switches."

The American Telephone & Telegraph Corp and Northern Telecom dominate the US market for central office switches, but Siemens has recently scored big with an order from Wisconsin Bell for its advanced digital switches, with ISDN capability. Four Bell holding companies have given Siemens approval to bid on contracts with the company. The extremely competitive US market recently claimed one victim — IIT dropped out.

A separate lucrative equipment market is taking shape at the user end. This is in the form of "smart" telephones and other desktop terminals that will function as each user's access point to ISDN. The CCITT, though, has not yet come up with the standards for this equipment. Makers are rushing in anyway, in a risky

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ploy to create their own de facto standards. "They are trying to preempt what the standard will be," notes Mr Ross of A. D. Little.

Although each supplier is keen to differentiate its equipment, they are falling into line behind the CCITT's transmission standard. This calls for basic service consisting of three channels, two for voice and data moving at 64,000 bits per second and one running at 16,000 bits per second to carry signalling information such as the destination of data on the faster channels.

An advantage of these speeds is that they can be handled by most existing telephone lines,



including old copper local loops built for analog transmission. Some users will not need even that much capacity, but others—particularly businesses—want more. A second level of service, called primary, lifts capacity to 23 voice and data channels and one signalling channel, all at 64,000 bits per second.

Even that is less than some business needs now command. The BP GROUPNET line runs at 2m bits per second. And that gives the company a view into the cradle of the second telecommunications coming: the luxury of its own private video conferencing studio.

Next Friday's Technology Page will look at ISDN-like private networks.

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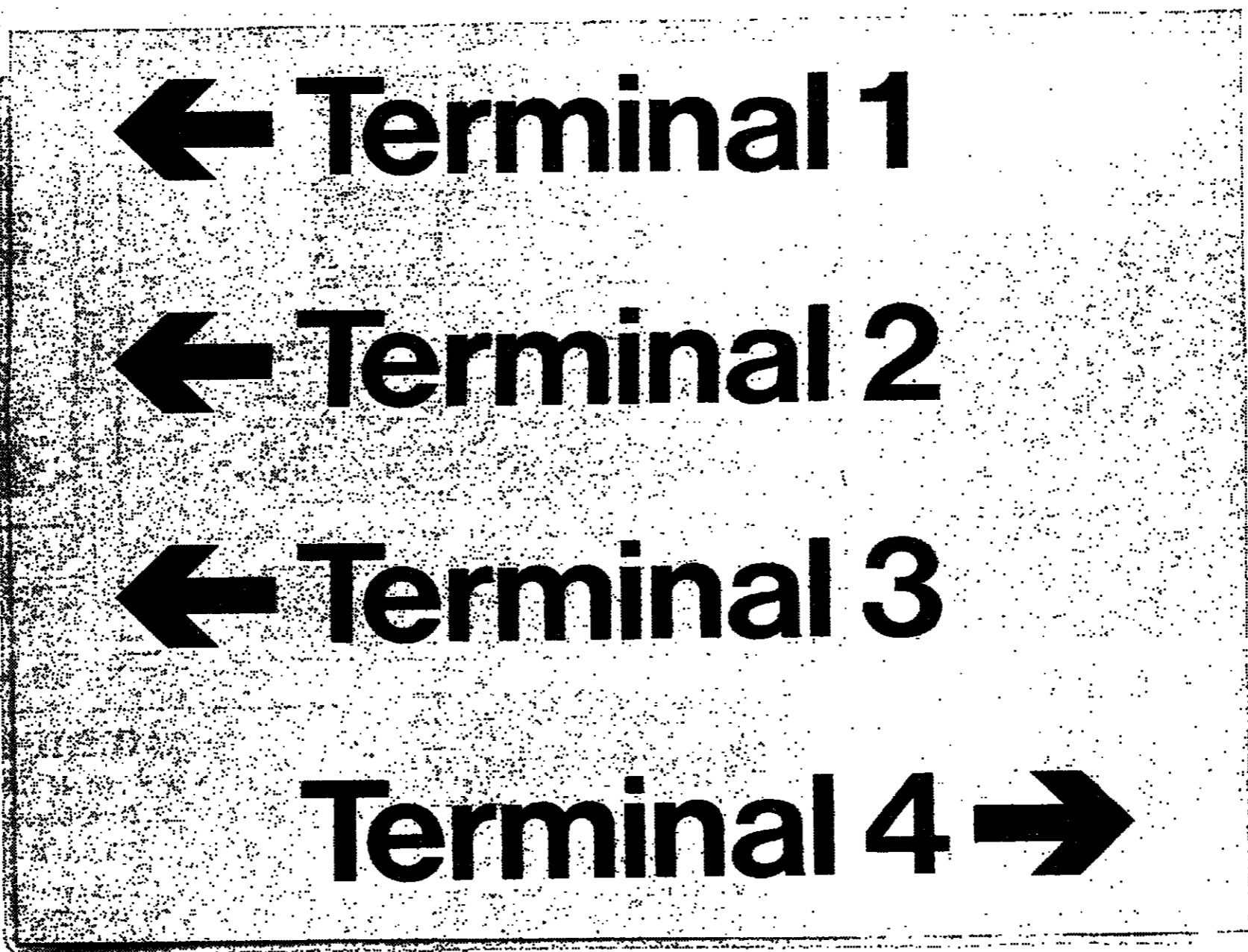
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Jeff Smith

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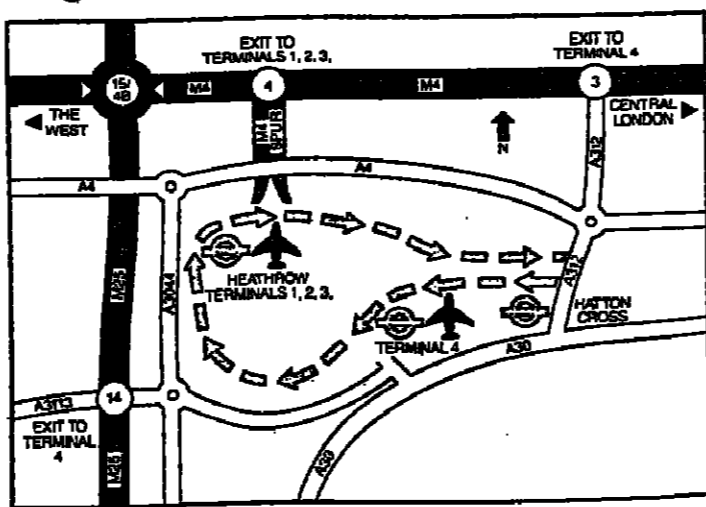
So it's more important than ever to know which Terminal to report to.

And if it's Terminal 4, how to get there. By car, that means following the special road signs on the motorways. By bus, it means getting off at the Terminal 4 stop. By tube, it means using the new Terminal 4 station between Hatton Cross and Heathrow Central.

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THE PROPERTY MARKET BY WILLIAM COCHRANE

Retailing

The battle for Wimbledon town centre

YESTERDAY week, March 27, the London Borough of Merton gave planning permission to two Speyhawk schemes to develop the Wimbledon town hall site on Queens Road in the town centre.

One retains the 1930s town hall building, the other does not. Both retain a Victorian fire station recently listed by the Environment Department.

Will provide? Not if Geoffrey Wilson, chairman and chief executive of the Greycoat Group, can prevent it.

Conservation

"Clearly Merton Council, in its present form, is wedded to its retail property and development interests last summer with the acquisition of Merevale Properties."

for development of the railway station.

The broadsheet will counter a similar missive to residents from Speyhawk, which asked supporters to write to Speyhawk chairman Trevor Osborne.

"However, we decided that the town needs big new retail traders: it hasn't got any big names apart from Woolworth, and Elys the family department store: people had to go to Wandsworth, Putney or Kingston for that sort of shopping."

Then the Greater London Council objected to the scheme. After it had been delayed for 13 years, says Harris, M and S changed its mind about the main thrust of its future expansion and out of town sites with plenty of ground level parking were now in the limelight.

"The council, they say, took the view that by fixing on one developer, they would get things done at last, get some grit or commitment into the regeneration process."

Watford strikes back

IN A response to pressure for out-of-town development, Watford Borough Council is joining with the Sun Alliance Insurance group and Capital & Counties to put a £100m, 600,000 sq ft shopping centre on what is known as the Mars 1 site, ten acres in the heart of the town centre.

The new centre will be integrated with the existing Charter Place Shopping Centre said John Abel, a director of Capco, this week.

Mr Abel estimates that the net increase in town centre shopping space will be about 270,000 sq ft. The £85m cost of the development will be met by Sun Alliance and Capco, but further expenditure by the occupants of the properties will raise the total to well in excess of £100m.

Watford, which has always defended town centre shopping against incursions from the outskirts, has been looking at the Mars 1 site since the early 1980s.

City freeholds on the move again

AFTER A quiet winter, the City of London freehold office market is ticking over again. Smith Melnick and Jones Lang Wootton started the process last week with the firm sale of 35-39 Moorgate to clients of Ernest Over and Williams, said to be Bristol and West.

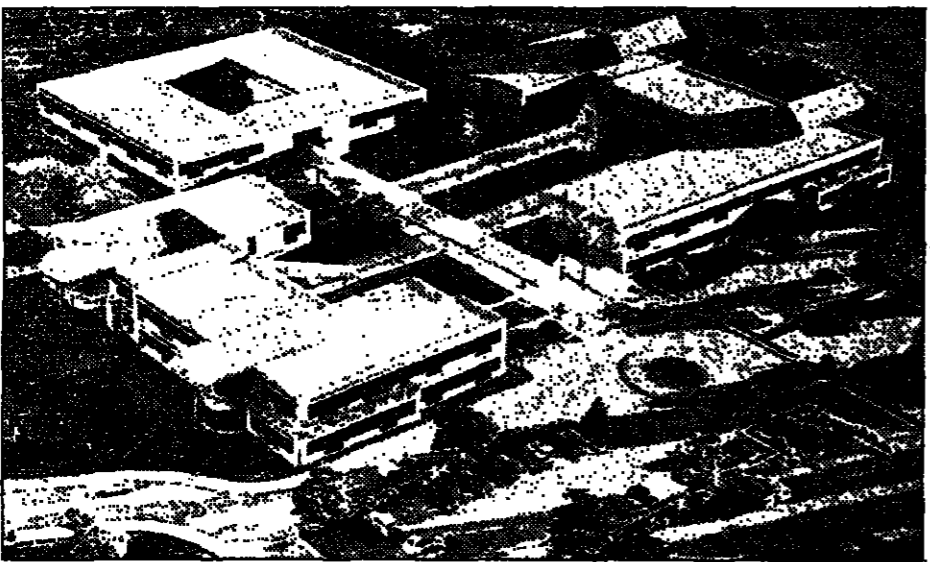
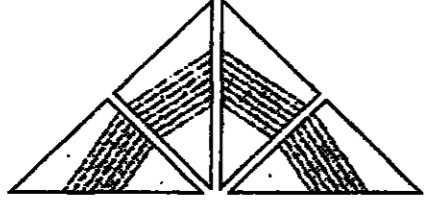
The deal represented a rent of £40 a sq ft on the 12,500 sq ft of offices (located less than 200 yards from the Bank of England) and a yield of 4 per cent.

Ritchard which is moving to a new purpose-built headquarters at Hillier Park in Isle of Dogs Enterprise Zone.

The Canary Wharf consortium expects to break ground this summer for its planned 10m sq ft office development on the Isle of Dogs in London's Docklands.

This follows Midland Bank's declared interest in the development. Another consortium partner, Credit Suisse First Boston, is taking temporary space in Oldfield Street, which it says is an earnest of its intention to wait for permanent premises at Canary Wharf.

One instinctively knows when things are absolutely right...



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Advertisement for RANSOMES PARK IPSWICH, featuring a large image of the park and text describing it as a business hub.

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QUALITY AND ENVIRONMENT

Advertisement for BELMONT PARK LEATHERHEAD, highlighting 29,750 sq ft of office space and 102 parking spaces.

Small advertisements for various property services and companies.

Advertisement for Whiteheads Auction Division, featuring a property with extensive gardens and a beach frontage.

Advertisement for CAMBRIDGE New Freehold Office, Research and Development Buildings, available for sale in January.

Advertisement for SUPERB MODERN PRESTIGE OFFICES, 1 MOUNT ST. MAYFAIR W1, overlooking Berkeley Square.

Advertisement for DOCKLANDS PROPERTY CENTRE, featuring network houses and commercial properties throughout the docklands.

Advertisement for Humberts Leisure, West Midlands Golf Consent Birmingham (12 miles), a prime site with consent for 18 hole golf course.

Advertisement for THE OPPORTUNITY HAS ARISEN TO RENT OR BUY FREEHOLD, a single corporate headquarters, production, research and development complex of 420,000 sq ft.

Advertisement for CADOGAN GARDENS SLOANE SQUARE, LONDON SW3, an existing residential club with 63 1/2 years for sale.

Advertisement for Private Property Company with institutional shareholding, wishing to purchase for cash.

Advertisement for DEBENHAM TEWSON & CHINNOCKS, 01-408 1161.

Advertisement for Property Portfolios, offering good commercial and residential property.

Advertisement for PRESTIGE FREEHOLD OFFICE BUILDING FOR SALE, LONDON SW1, with 3,000 square feet.

Advertisement for Woodland 80 acres, Broadleaved immature, North Lincolnshire (freehold), shooting rights included.

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Arts Week. F | S | Su | M | Tu | W | Th. 4 | 5 | 6 | 7 | 8 | 9 | 10.

Music. LONDON: Royal Philharmonic Orchestra conducted by Antal Dorati with Basu Lupu, piano. Beethoven. Royal Festival Hall (Mon), (828 3191).

Opera and Ballet. PARIS: Prokofiev's War and Peace produced by the National Opera, Théâtre des Champs Elyées (47234777).

Theatre. NEW YORK: Cals (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot's children's poetry set to S. Y. Ebbots's children's play.

THE ARTS. Exhibitions. TOKYO: Noé Gouzes and Kyogen Maska: 26 beautiful costumes from the Edo period (17th-19th century) and Kyogen masks from original 16th century era.

Happy Days (Goodman): The Goodman company celebrates Samuel Beckett's 80th birthday with the playwright's bleak view of the world, interpreted by the Roman-

FINANCIAL DEREGULATION CONFERENCE. May 1st and 2nd. A major conference on Financial Deregulation, presented by the David Hume Institute in association with Deloitte Haskins + Sells.

Whittingham Property BIRMINGHAM G21-501 3993 LONDON 01-491 1438

BELL'S SCOTCH WHISKY BELL'S

Laura Raun explains why the Netherlands' popular Prime Minister is set for re-election Lubbers is favourite for Dutch poll

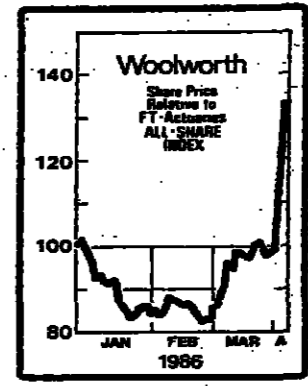
THE DUTCH general elections on May 21 will be a referendum on the historic turn in 1982 that took the Netherlands down the painful path of less government and more private initiative. The clearest winner is likely to be Mr Ruud Lubbers, the popular Christian Democratic Prime Minister who has steered the treacherous course of retrenchment with hardly a scar.

LEADING DUTCH PARTIES table with columns for party name, 1982 general election seats, % vote, and 1986 local elections seats, % vote.

Mr Lubbers' Government swept into power in 1982 on a three-tier platform of fostering economic prosperity through curtailment of the bloated public sector, slashing the budget deficit and battling persistently high unemployment.

the Government predicts. But with unemployment still at 15 per cent, the Labour Party is hitting hard at the coalition's failure to further reduce the number of jobless. All sides are paying lip service to the unemployment issue but in reality unemployment rarely hits a raw nerve because of the generous level of unemployment benefits.

THE LEX COLUMN High noon for Woolworth



Among consortium bids, the reconstruction of Woolworth must rank among the most remarkable market successes. If the members of the Paternoster group had been told at the outset that they would be offered 10 times their initial investment only three years down the road, they would not have believed it.

Woolworth's share price has been looking for a bid for several weeks past. Indeed, those fortunate investors who only came in for the bid would nearly have doubled their money over the last month.

stores is not surprisingly starting to tail off although an increase of 11 per cent on like for like space was still a little ahead of the industry average. The challenge now is to improve both sales density and gross margin in the Debenhams outlets. It is far too early to judge Burton's success in making a place to shop but the policy of squeezing space to make way for Burton concessions seems for the moment to be meeting with mixed results.

British Gas to raise its prices by 1.8%

BRITISH GAS is set to announce price rises of about 1.8 per cent for domestic UK consumers later this month. A final decision is expected to be taken by the board the week after next. It is already clear, however, that British Gas has successfully resisted demands by some "hawks" in the British Treasury for a much larger increase to fatten up the state-owned group in readiness for sale to the private sector in the autumn.

Italy and Egypt blame each other for TWA security lapse

ITALY and Egypt yesterday accused each other of being responsible for the failure in security measures which led to the explosion in a TWA airliner over Greece and the death of four of its passengers on Wednesday.

Reckitt & Colman

Yesterday's response to Reckitt & Colman's preliminary figures said more about the tightness of the London equity market than about Reckitt's success in selling laundry cleaners at a profit. The figures themselves were fractionally ahead of expectations - profits were up 18 per cent to £123.6m pre-tax - but a couple of million in extra profits could scarcely have accounted for the addition of almost £100m to the group's capitalisation.

Texas group files for Chapter 11

HALL Financial Group, the biggest private real estate syndication company in the US, has filed for protection under Chapter 11 bankruptcy laws on behalf of Hall-Texas Associates, one of its 240 limited investment partnerships. Mary Frings writes from Dallas.

Talks on new fibres deal open

DELEGATES from about 50 countries met in Geneva yesterday in preliminary talks on the renewal of the Multi-Fibre Arrangement, which governs a large portion of world trade in textile and clothing. The MFA expires at the end of July and will probably be extended another four or five years.

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Oppenheimer advertisement featuring a bar chart showing growth over 7 years (from £1,360 to £6,668) and text describing international fund management.

World Weather table listing cities and their weather conditions.

Woolworth rejects Dixons bid

Woolworth stores moved from a loss of £5m the year before to a profit of £17.6m and total retailing, including the B&Q superstores and the Comet electrical stores, increased profits from £35m to £55m.

BRITAIN'S LEADING RETAILERS table with columns for company, interim turnover, retail space, and employees.

Dixons is offering 15 of its own shares and 18.43 per cent convertible preference shares for every 10 Woolworth shares. The shares of

SECTION III
FINANCIAL TIMES SURVEY

Vehicle Components

Rapid changes in the world motor industry are forcing component suppliers to produce on an international scale and in closer co-operation with the vehicle assemblers. The trend is to a specialist approach and heavy capital input to meet the assemblers' needs. Kenneth Gooding reports.

Surviving the shake-up

THE motor industry worldwide is only part of the way through a massive upheaval. The changes have already taken their toll among the automotive component producers. Some have gone to the wall. Others have quit the business and are now concentrating on other products.

The pressures will continue for some years and the shake-out will leave a reduced number of larger-scale companies surviving in 1990.

Above all, the survivors must be able to cope in a truly integrated, global industry competing in a highly-competitive marketplace.

There is almost complete agreement among the major component companies about the main trends in the industry today. They include:

- A move towards fewer but bigger contracts available to suppliers;
- Closer association between suppliers and assemblers;
- Suppliers face very heavy capital requirements, and need the ability to operate internationally;
- New materials and products will replace some traditional ones—but it is difficult to pick the new "winners";
- An increasing demand by assemblers for packaged systems involving groups of components;
- Assemblers are demanding very high-quality components and severely penalising suppliers who let them down;
- Western assembly companies

are trying to find a way to adapt the Japanese "just in time" concept of component deliveries to assembly plants, providing yet another challenge for suppliers.

The age of the specialist component supplier is fast approaching.

To start with the first point, there are fewer component contracts available because, in order to stand a better chance of recovering their enormous investment in the new products, the assemblers have been rationalising vehicle ranges at a rapid pace. They have reduced the number of models and the number of parts in those models.

Partnerships

But contracts will be much bigger. The suppliers who win the business will be awarded contracts for quantities unheard of only 10 years ago.

For this reason the assembly companies are moving toward closer relationships with suppliers. In some cases almost to the extent of forming partnerships.

The suppliers involved must be willing to invest heavily in research and development to stay competitive, but the combination of international competition and the magnitude of the manufacturing-re-design costs is staggering.

However, the benefits to the suppliers which win the contracts that are available will be considerable. Contracts worth tens

between five and 10 years instead of the one or two years which have been the norm in the past.

Long-term contracts are being initiated because change in the industry is going so far, so fast, that the assemblers are demanding that their component suppliers take on much more of the design and development burden. That kind of financial commitment cannot be expected from a supplier if only short-term contracts are on offer.

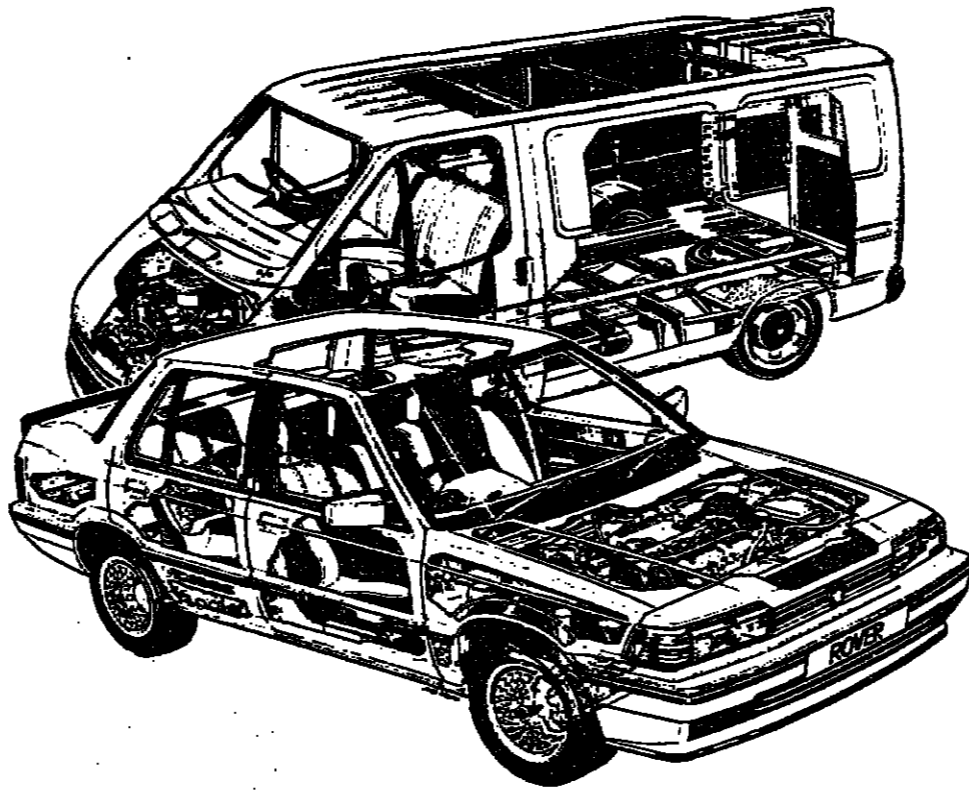
However, the longer-term contracts will probably specify some locked-in price structuring as well, so suppliers will be more responsible than ever for cost containment and productivity improvements to offset any increase in the prices of raw materials, labour or overheads.

No one in the industry can ignore the fact that low growth in world-wide demand for vehicles is putting pressure on retail prices.

So assemblers are looking for better quality, more technical support and innovation from their suppliers—but at a lower cost.

In this context it should be remembered that the component suppliers contribute a significant part of any vehicle.

For example, bought-in materials, components and services range from about 55 per cent of the ex-factory value of a car in Western Europe to 70 per cent in Japan.



In the US only General Motors is lower than 55 per cent because of that group's high vertical integration.

Symptomatic of the assemblers' approach was the reaction of the Japanese car companies recently when the dollar fell substantially in value against the Yen and put margins of profit under pressure in the US, their biggest export market.

The assemblers turned immediately to their component suppliers in Japan and asked them to cut prices.

All this is putting considerable financial strain on the components industry worldwide.

As Mr Rudolph Stahl, executive board member at Robert Bosch, points out: "The capital requirements needed in the near future for product development, for more flexible, automated manufacturing facilities and for the improvement of quality and

reliability will tax the component industry rather heavily."

Another essential requirement in future for the successful component supplier will be the ability to operate internationally.

"Our industry is international in scope and in character. Suppliers who don't understand this won't be a part of it for long. Suppliers who don't adjust to this won't succeed," says Mr Edward Irving, senior vice president, industrial systems group at United Technologies.

Subsidiaries

"North American and European automobile output currently accounts for nearly 60 per cent of worldwide production. Vehicle makers on both continents are engineering their vehicles to be built any-

where in the world. They are going to reduce costs by moving production to subsidiaries in other countries and by affiliating with foreign companies.

"For suppliers planning to stay competitive, it is imperative that they go wherever in the world their major customers go. Automotive suppliers must be able to sell components in the countries where car and truck makers build and sell their vehicles. Automotive companies of the future will have no national passport," Mr Irving says.

To give some perspective to his remarks, it should be pointed out that there are already about 30 automotive companies competing on an international scale. There are automotive assembly plants in no fewer than 88 countries.

IN THIS SURVEY	
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Batteries: tough fight among makers	6

This tempts the assemblers towards the "world" car and truck concept where a vehicle is designed for manufacture and assembly in the major markets with main components drawn in volume from the cheapest and most effective sources of supply available — be it Western Europe, North America, Japan, Taiwan, South Korea or Brazil.

Mr Ian Donald, deputy managing director of Guest Keen and Nettlefolds, maintains that the international supplier will have to use its financial and technical resources to establish itself in national markets either in its own right or, more usually, in some form of joint venture with a local supplier.

The supplier will trade its technological advances in product and process to obtain a share in the national markets and so try to ensure that its design is selected for incorporation into the "world" vehicle. He says: "It is an exercise fraught with risk but capable of significant pay-off if successfully accomplished."

Typical of the deals Mr Donald has in mind is the 50-50 joint company formed by SKF of Sweden with Koyo Seiko in Japan to produce and sell in Japan automotive bearings developed by the Swedish company. This will enable SKF to break into a market which up to now has been exclusively supplied by domestic producers.

So far the traffic has been mostly one-way and Japanese component producers have been moving into North America and Europe to supply the Japanese car assembly plants being set up on those continents.

Car assemblers in particular are encouraging this trend because they prefer to link with suppliers they can trust and who can run their organisations like well-oiled machines. They want suppliers to use the latest methods such as statistical process control and "just in time" delivery—where materials and parts are delivered to factories only in the exact quantities and at the times they are needed.

The "just in time" approach is proving difficult to put into practice outside Japan. To be able to act effectively, suppliers have to have some guarantees that orders will not be changed at the very last moment. But erratic demand in the car market and the large number of optional extras available for cars these days make it very difficult for the assemblers to adhere to a "no-touch" period.

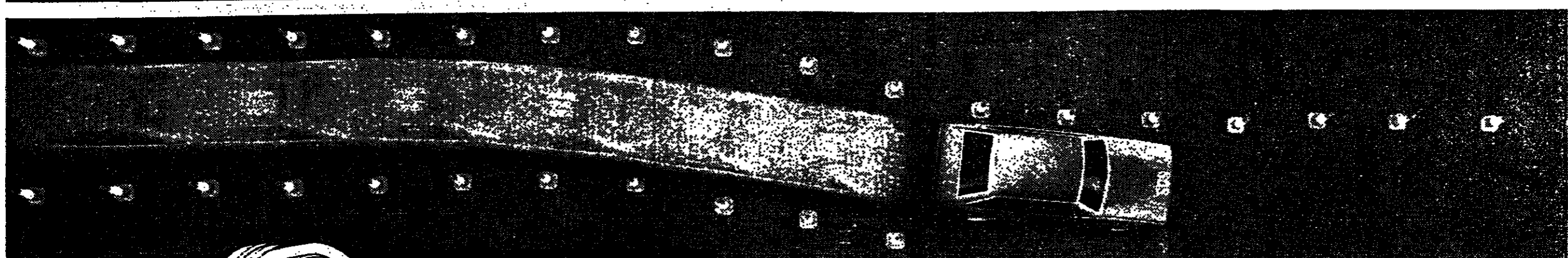
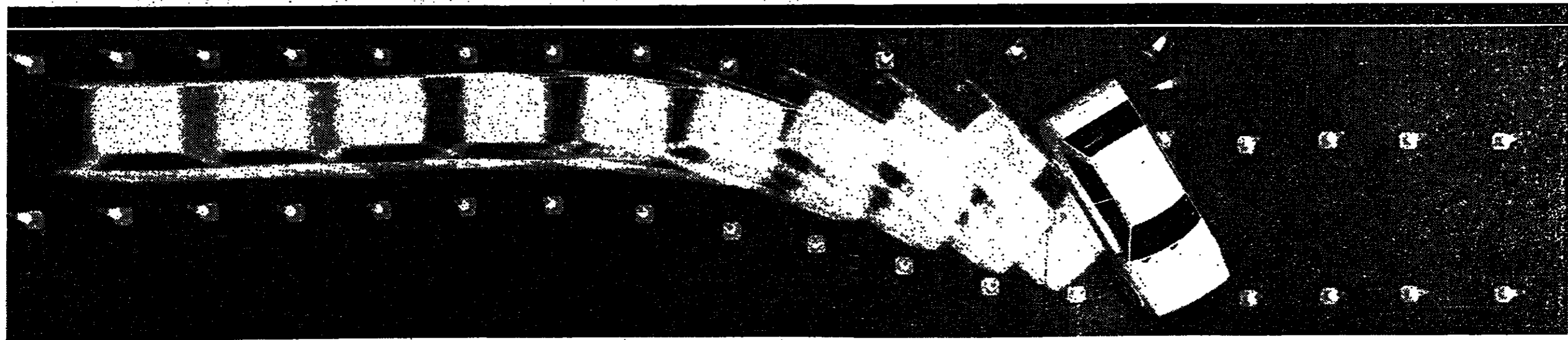
Inventory

The only way total flexibility of "just in time" supply can be offered is if buffer stocks are held by the supplier. This simply moves inventory from the assembler to the supplier and leaves no room for costs to be cut—which, after all, is the main object of the exercise.

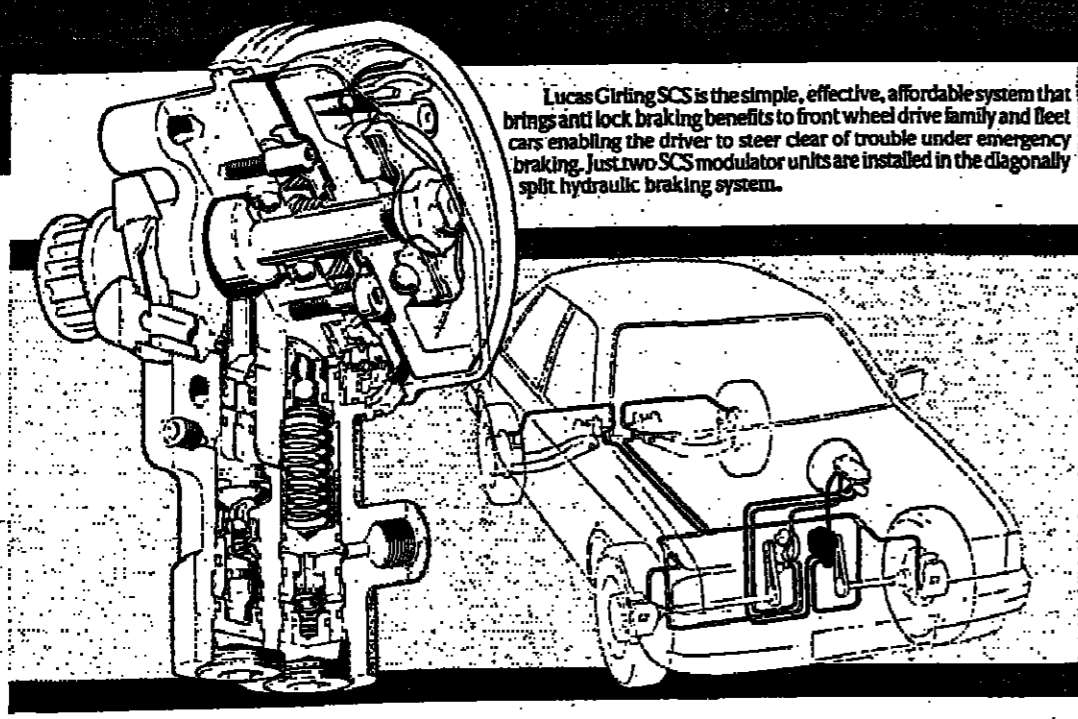
Mr Rudolph Stahl, a member of the Robert Bosch executive board, suggests that if "just in time" is to work, close co-operation between suppliers and assemblers is essential. Car makers should introduce as quickly as possible systems which allow a fast flow of information from sales to material

CONTINUED ON PAGE 2

TOMORROW'S TECHNOLOGY...



...Lucas has a part in it today!



Lucas Girling SCS is the simple, effective, affordable system that brings anti lock braking benefits to front wheel drive family and fleet cars enabling the driver to steer clear of trouble under emergency braking. Just two SCS modulator units are installed in the diagonally split hydraulic braking system.

Lucas is a name synonymous with vehicle systems and components. We are constantly and successfully achieving and maintaining technological leadership in automotive fields. This has given Lucas a leading edge in a rapidly changing worldwide market place. Our powerful commitment to research and development has led to the growth of a major network of international partners and customers ensuring that we have a leading part in tomorrow's key projects — just as we have in today's.

Take Lucas Girling's new low cost, hydro mechanical Stop Control System — known as SCS — which has now brought the benefits of anti lock braking into the realms of the front wheel drive family and fleet car. Just as it broke through with disc brakes thirty years earlier Lucas Girling have now begun to transform the brake control capability of tomorrow's popular cars. The Stop Control System comes from a company whose Colette disc brake calliper is now the most widely fitted design in the world.

Lucas are also at the leading edge of the diesel revolution. Vast numbers of diesel cars are now being sold throughout Europe and Lucas CAV are leaders in the development and

supply of Fuel Injection Pumps and Electronic Injection Systems. Not only that but they have also introduced Micronova TM fast start aids.

The leading edge of Lucas achievement often cuts quietly but effectively through traditional areas of automotive componentry. For example the introduction of a new brushless alternator; a new modular distributor, plus, for commercial vehicles, a modular instrument pack and high volume screenwiper motor.

And the leading edge of Lucas technology extends to the aerospace and industrial fields where Lucas is a leading supplier of systems and components.



A MAJOR FORCE IN INTERNATIONAL AUTOMOTIVE TECHNOLOGY

Vehicle Components 3

Satellite factories being set up in US

THE JAPANESE components industry has developed along different lines to its Western counterparts. It has remained until recently almost entirely domestically-based and has had little incentive to adopt multinational strategies of the type developed by General Motors and Ford.

It is not hard to see why Japan's vehicle makers once again lead the world in production volumes, and rely on their suppliers to a far greater extent than manufacturers in the West. Thus the Japanese component makers have been content to concentrate their activities almost entirely within Japan.

All that is now changing, as they start to follow the vehicle makers to their assembly or manufacturing sites overseas. Japanese-owned satellite component plants are already springing up around the Japanese car and truck plants in North America which are expected to be producing 1.5m vehicles a year or more well before the end of the decade.

Europe has trailed behind North America, the world's largest and most lucrative vehicles market, as a desired base for Japanese vehicle assembly or production. But the engine driving the Japanese moves offshore — the fear of overt protectionist action — has already deposited Nissan in Spain, where it makes four-wheel-drive vehicles and vans, and brought two companies to the UK. Nissan's car assembly plant at Washington, Tyne and Wear, goes into production in July; Honda plans to use spare Austin Rover capacity to build its Ballade saloon, and plans engine production and, later, vehicle assembly, at the 360-acre site it has acquired at Swindon.

Meanwhile, Toyota is considering a European plant and its associate company, Daihatsu, is seeking a joint venture to assemble in Europe.

These developments present both opportunities and a threat to the European components industries, observes Dr Alan Martin, a director of the PA Technology consulting group who has been making a special study of the sector.

Which way the balance tilts, he suggests, will depend on how well European suppliers understand and adapt to the fundamental differences in approach

Japan

JOHN GRIFFITHS

to components in the East and West in four main areas: engineering practices, engineering source location, "just-in-time" supply and quality.

The Japanese expected mutual commitment between supplier and vehicle maker. "In the West, the manufacturer will often only commit to a supplier when he is sure he has secured the best-price deal. In Japan, the supplier knows he has to be competitive and knows he will have the business when the vehicle is in production."

Thus Japanese suppliers were involved at the earliest stage of vehicle design, often having their engineers at the manufacturer's plant and thus aware at an early stage of precisely how their components will interrelate in the finished vehicle.

"The issue of drawings and engineering releases to a supplier is often a mere formality." As a consequence, Japanese suppliers could provide prototype parts far more quickly than in the West.

It is this process, suggests Dr Martin, which explains why Austin Rover's launch of its version of the executive car developed jointly with Honda is to take place in the summer, six months after Honda's has gone on sale.

The odds are also stacked against European suppliers in that most components in North America or European-American or European-assembled Japanese vehicles will have been developed in Japan, so that a European supplier, for example, could not tool up for a part without undertaking a significant amount of engineering himself.

A seemingly obvious answer is joint ventures — indeed three have already been set up near Nissan's Washington plant to contribute to the 20 per cent European content (excluding labour and other overheads) of the Bluebird car to be produced.

"This may well give a new lease of life to the local partner in the joint venture," Dr Martin points out. "But it is going to create new and stronger competition for other indigenous com-

ponent companies." The reason is that the joint venture companies, from their secure supply base, would almost certainly seek business in other areas traditionally enjoyed by indigenous suppliers.

This has not prevented UK and Continental suppliers from gaining business in their own right. Indeed Mr Ian Gibson, purchasing director for Nissan's UK plant, has been very complimentary about suppliers it has signed up, including Lucas, Toplan, Dunlop and more than a dozen others.

Nor has Nissan been anything like as insistent as had been feared, particularly in the UK component industry heartland of the West Midlands, about suppliers setting up right on its doorstep to provide a replica of Japan's famed "just-in-time" component delivery system, under which car plants have component buffer stocks of as little as four hours.

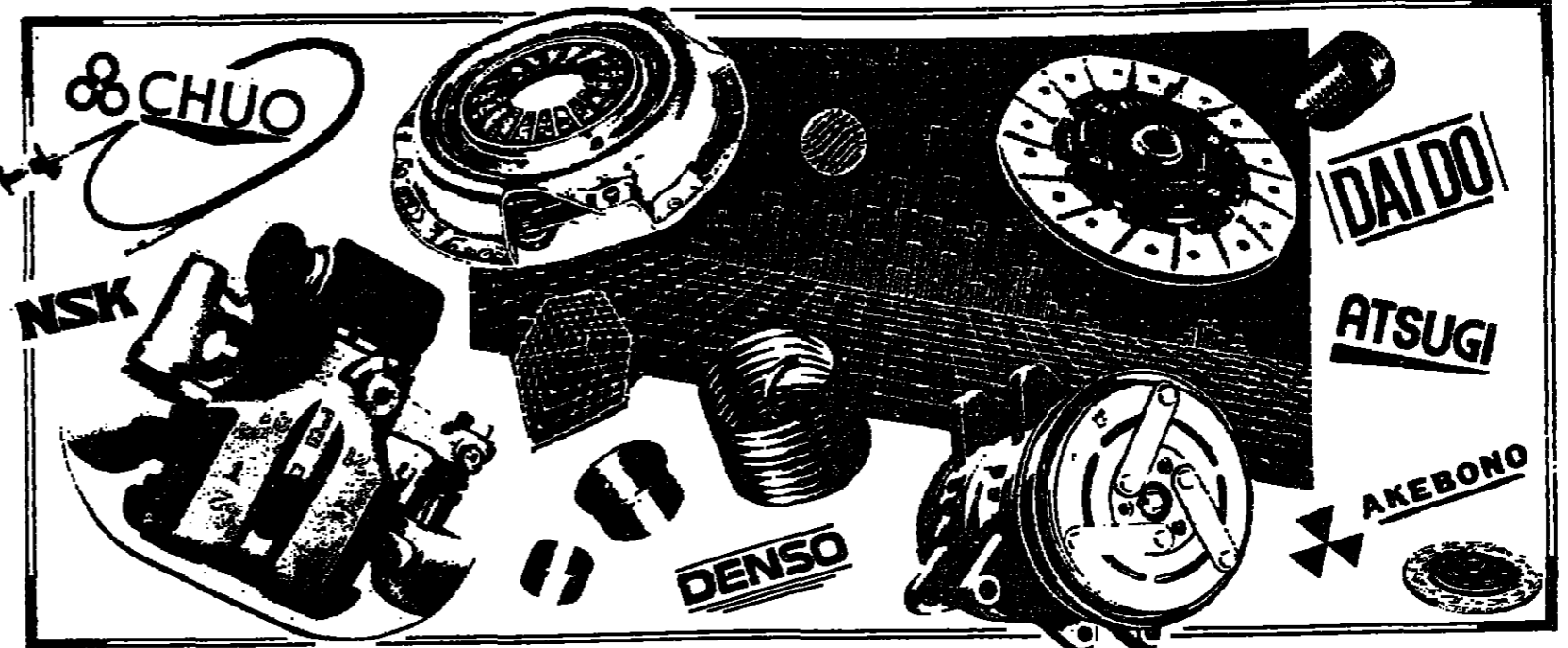
And, after subjecting each supplier to exhaustive quality and reliability testing, Mr Gibson has made clear that his suppliers, at least, have been fully able to meet particularly stringent Japanese standards.

For all that, Nissan's suppliers represent only a very small sample of the European industry. How others react to the heightened competition will be crucial. "They either adapt, or they die," Dr Martin observes simply.

The Japanese component industry's growing presence in North America has already set alarm bells ringing. Ms Candace Howe, United Auto Workers' Union economist, told a convention of the Society of Automotive Engineers that the Japanese-owned vehicle plants in the US would still rely heavily on imported components with a typical "transplant" factory providing only about 5,450 jobs directly and for indigenous component suppliers.

This compared with 21,800 for a similar-sized but American-owned facility. All the Japanese operations combined would provide only about 82,000 jobs.

A survey by one securities firm showed at least 28 Japanese companies to be setting up in the US, either independently or in the form of joint ventures. And they want to supply GM, Ford and Chrysler as well as Japanese vehicle makers.



Japanese component makers and their products are not well known in Europe and the US but are likely to become increasingly familiar as component plants follow the vehicle makers abroad

Powerful means of studying trends

Databases

JOHN GRIFFITHS

IN THE PAST 12 months, powerful new tools have been emerging for motor component manufacturers in the form of comprehensive databases.

Their formats, and the means of accessing them, differ. But their common ground is that they provide the means of taking much of the guesswork, or time-consuming number crunching, out of identifying trends in the types and volumes of components supplied to vehicle-makers around the world.

They provide the basis for calculations by component manufacturers of likely demand for replacement parts as well as original equipment.

Several are from the PRS consultancy group, one of which — to be launched formally in May — is taking the form of a joint venture with the UK's Society of Motor Manufacturers and Traders. Another is from another, UK-based consultancy group, James McArdle & Associates.

PRS's software-based systems have been set up to provide a detailed breakdown of the constituent parts of motor vehicles produced worldwide. The strategy of PRS is to produce virtually an "encyclopaedia meccanica" of vehicle content, making it possible for component makers to spot trends.

For example, it is easily possible, by examining four years' statistics, to track how fuel-injection systems have grown at the expense of carburettors, or the increasing market penetration of vehicles fitted with turbochargers or multi-valve engines.

Its joint venture with the SMMT, Autoparc, initially is covering Europe and focuses on registrations, rather than production, stretching over at least the past 10 years. It should thus be of particular interest to component makers supplying the aftermarket.

Mr John Martin, PRS group managing director, says the databases are providing useful means for component makers to identify weak spots in rivals' markets, allowing them to target geographically precise areas.

The McArdle database currently embraces only the com-

YEARLY, DATED 80 TO 84
 ORIGINAL = 0 OR F OR I F TYPE = RT
 HEIGHT = 20-22, 23, 24, 25, 26, 27, 28, 29, 30, 30-
 TOP/WT = 1000, 1000-1200, 1200-1500, 1500-

WEIGHT	SALES	MANUFACTURERS	80	81	82	83	84
27.00-30.00	3	IWEDD/I	76	82	18		
		NSM	447	173	10	144	
		NS	267	1	244	76	68
		NSM	765	236	266	263	212
SUB-TOTAL							
30.00-	5	IWEDD/I	765	236	465	263	180
		NSM	1198	1514	1206	1248	884
		NS	2783	2613	2963	679	879
		NSM	1292	626	1190	570	337
		NS	2213	5966	6283	2967	2090
SUB-TOTAL							
TOTAL			5213	2086	6282	2295	2090
			33564	38778	39790	27636	18736

Sample table from the McArdle database. The user had asked it to identify producers of rigid trucks defined by weight and torque categories

the system has been among multi-national component producers, Mr McArdle says. He sees the main uses of the system as being for product planning, marketing and pricing negotiations.

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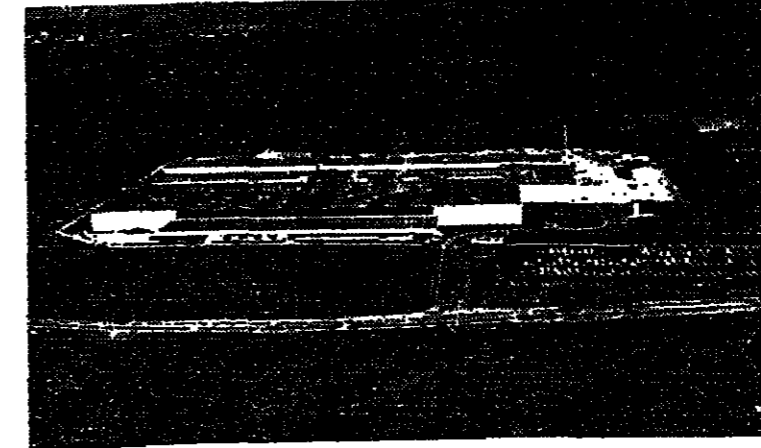
Never add water
 You never add water to the Freedom Battery. The top is heat-sealed on. And there's a lifetime supply of electrolyte sealed in.

Easy handling
 Since dealers don't have to handle acid, there is no electrolyte contamination. No improper activation. The terminals and case stay cleaner than those of conventional batteries. And Freedom is lightweight, too.

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 The Freedom Battery does not have to be in the front of the engine compartment. So car designers have freedom to choose its location.

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Our factory in Sarreguemines, France, is the world's newest and most modern automotive battery facility.



A world leader in automotive electrical systems.

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Doing away with the gearshift lever

Transmissions
JOHN GRIFITHS

BOTH CARS and commercial vehicles are moving towards a future in which the familiar gearshift lever could become obsolete.

By early next year, long delayed and after encountering more production engineering difficulties than were anticipated, the first cars to use a modern development of DAF's continuously-variable transmission are expected to arrive in the market.

On the commercial front, the AMT (automated mechanical transmission) now in an advanced stage of development by Eaton, the US-owned multinational-truck components producer, holds out the prospect of drivers being able to operate even the heaviest trucks, with 12 gears, by means of a simple control resembling a current car's automatic gearshift and with no manual clutch.

transmission being left to change road speed via a system of steel belts and pulleys.

But for the steel belts, the transmission would probably have been in use two years ago. The belts are the key component but they have proved exceptionally difficult to engineer for volume production. Ford says most of the problems now appear to have been beaten.

The CVT to be built at Bordeaux is not exclusively a Ford development, but involves a licensing arrangement under which the Ford transmission will be built around components from Doorne, the Dutch transmission maker which originally developed the system for DAF cars—but using rubber drive belts.

Licences for the system have also been taken out by Subaru of Japan.

Under its arrangements with Van Doorne, Ford will have the right to sell the Bordeaux-produced transmission to other manufacturers. Fiat, a shareholder like Volvo in van Doorne, intends to use the unit in its Uno.

The Bordeaux unit is designed for cars of between one and 1.5 litres. General Motors is working on one for larger-capacity cars, also using the van Doorne principle which it has said would be built at its Strasbourg plant.

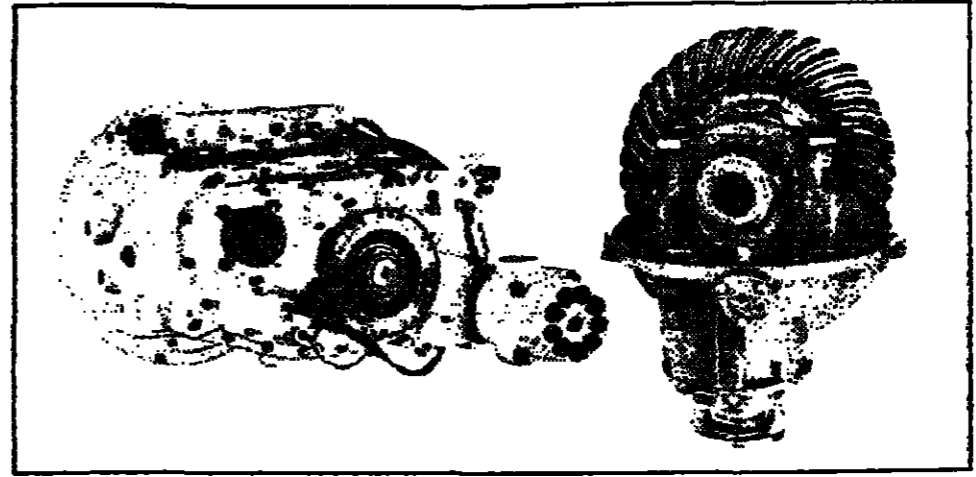
Despite its promise of being both easy to operate and offering better fuel economy and performance than conventional manual or automatic cars, the transmission is not expected to take new car markets by storm. Initial production is likely to be in small volume dictated by a still-cautious approach to the durability of the all-important drive belts.

Behind the CVT lies a complex saga of troubles confronting van Doorne's efforts both to develop the system and bring it into production at van Doorne's own facilities in Holland.

The company's long attempt to produce a durable system suitable for mass production has taken it into deep financial trouble and seen the structure of its shareholdings change frequently.

In the most recent shake-up, at the end of last year, the Dutch Government took a £110m loss in selling its 36.5 per cent stake in van Doorne to the Corporation for Industrial Projects, a venture capital company majority owned by the state.

The corporation acquired a total of 49 per cent of van Doorne, the other 12.5 per cent coming from Volvo of Holland,



Two new Eaton Corporation heavy truck components: the 13.44 hypoid drive axle (right) for vehicles up to 44 tonnes gross weight—axles with single reduction gearing and an optionally available differential lock—and (left) the new 4 x 3 twin-splitter transmission

which now has 27 per cent. The remainder is held by Fiat.

The three shareholders are injecting FFr 150m into Van Doorne to see it over the last production hurdles.

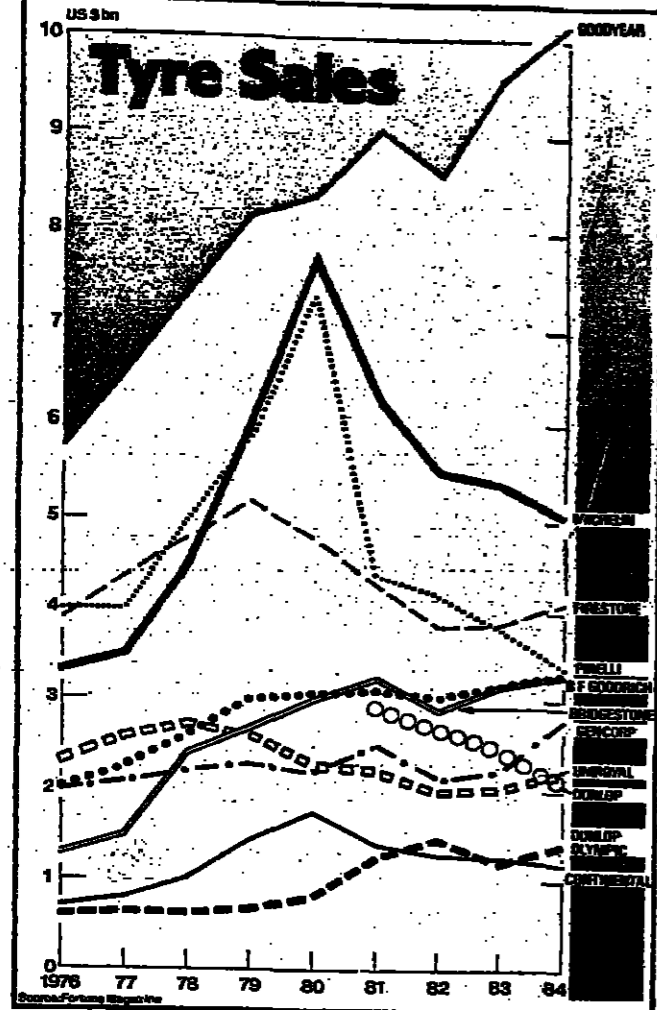
On the commercial vehicles front, Eaton regards its AMT unit as the third stage of a development programme which has already seen the emergence of a "twin splitter transmission"—the first product of a completely new range of transmissions and axles designed for applications worldwide and for

vehicles between 3.5 and 44 tonnes.

Developed by Eaton's European engineering operations, the twin splitter requires only four movements of the gear lever to move through 12 forward speeds. It is worked in conjunction with a three-position selector and adjustment of the throttle position. Trucks fitted with the system have covered well over 12m miles during testing.

An intermediate development of the twin splitter provides semi-automatic operation. The driver signals his requirement for a particular gear by pushing the lever backwards or forwards. Clutch and throttle operation is electronically controlled during the shifting process. The only time the driver makes manual use of the clutch is when starting or stopping.

The advantage of the system, says Mr Keith Parmee, director of engineering, is much reduced effort by the driver while still leaving him in control of the decision when to change gear.



The world's major tyre makers had combined sales of about \$40bn in 1984 (figures include non-tyre products). The industry is thus very large, but remains relatively static as a result of the introduction of longer-life tyres.

Difficulties of over-capacity

Tyres
STUART MARSHALL

DESPITE SEVERE contraction over the past decade, Europe's tyre industry still suffers from over-capacity. This has led to cut-throat competition in the market by producers anxious to keep costly production facilities as fully used as possible, even though profit per unit sold may be minimal.

The situation, closely parallel to that of vehicle assembly, and has several root causes.

The replacement of crumpled construction by the radial, now virtually complete, resulted in a product that lasted up to twice as long. The universal imposition of speed limits in the 1970s aggravated the decline in replacement sales brought about by the long-lasting radial.

Also, car makers modified their tyre policy. After years of trying to fit the smallest and cheapest tyre to high-volume cars for economic reasons, they began over-tyring cars to enhance customer appeal. Naturally, the bigger tyres wore out more slowly.

Imports from cheap labour countries in Eastern Europe and further afield have had a growing impact in the replacement market. A worrying trend for European makers is the decision by two German car makers to use Bridgestone tyres from Japan as original equipment on specialised models. Audi, which will use a Bridgestone tyre later this year as 100 per cent original equipment on its turbo Quattro coupe, is also talking to Yokohama of Japan.

The numbers will be small, at any rate to begin with, but the long-term implications are worrying because Europe's car makers have always bought European tyres as original equipment; from the plants of such European or multi-national producers as Michelin, Goodyear, Pirelli, Continental, Firestone and Dunlop.

The majors control other brands that were once produced by separate companies which decided for financial reasons to come in from the cold.

Continental's Gumm-Werke, Germany's largest tyre maker, now has under its wing Uniroyal's European tyre production side and Semperit, the Austrian tyre maker. Cast is controlled by Pirelli and Kelber by Michelin, which always had a substantial minority shareholding.

Other minor league tyre companies still leading a separate existence and surviving by niche marketing to both original equipment and replacement customers include Avon (the only all-British tyre company left), Vredestein of Holland, Askim (Norway) and Nokka (Finland). Their ranks have thinned in the past decade. Who now remembers Metzeler or Phoenix tyres from Germany, or our own Henley, John Bull and India brands?

The small, and some not-so-small, makers were swept out of tyre manufacture by the competitive pressures that led to concentration and rationalisation by the large national and multi-national producers.

Almost without exception, every tyre company still surviving in its own right has shed production capacity on a substantial scale in the past 10 years in not always successful

attempts to return to profitability.

Dunlop closed plants at Speke in 1978 and Cork in 1982 and cut back savagely at its Fort Dunlop, Birmingham, headquarters, but still had to sell out to its erstwhile junior partner, Sumitomo of Japan.

Firestone closed its Wrexham and Brentford plants in the UK in 1980 and 1981, having already sold off its Swedish factory, and now makes tyres for European customers only in France, Spain and Italy. Good-year shut down its heavily loss-making plant at Garscadden, Scotland, in 1979, and concentrated UK production at Wolverhampton. Michelin, which was still expanding at a time when competitors could see the writing on the wall, slashed production facilities and labour force in Britain and France.

But for government intervention, Kleber in France and Cast in Italy would have gone broke. In a mature market, Michelin is no longer head of the pack for quality though it still has a dominant share of pan-European original equipment and replacement sales. Continental (including Uniroyal and Semperit), Goodyear, Pirelli (and Cast), Dunlop (still a force to be reckoned with in Germany) and Firestone are the runners-up.

Pioneered

The biggest change in the product in recent years has been the move toward ultra low profile tyres, pioneered most successfully by Pirelli. Originally introduced for very high performance cars, these ULP tyres are now fitted to cars of much more modest performance, partly to improve their handling and roadholding but also for cosmetic reasons.

Germany, as might be expected of a country which still has no speed limit on the autobahn network, fits higher speed-rated tyres to about 15 per cent of its vehicle output, by far the largest proportion in Europe.

Unorthodox tyres continue to appear but have so far made little headway. In the 1970s, Michelin burned its fingers badly on TRX, a low profile tyre of excellent performance but needing a special shape of rim and a millimetric, as opposed to inch, diameter wheel. After persevering for 10 years to get it accepted by the assemblers, Michelin gave up.

Dunlop had an equally depressing experience with its Denovo runflat tyre. In a bid to salvage something from the venture, Dunlop and Michelin jointly created the TD system. This uses a tyre like TRX on a Denovo-type rim and allows limited mobility after a sudden deflation.

The only car maker to have adopted TD as standard equipment is Austin Rover Group and that was the only one to adopt Denovo. The forthcoming Jaguar XJ-40 will also have TD tyres but the concept's future is not promising.

Continental is putting a lot of research and development into a radical design called CTS, for ContiTyreSystem. This tyre offers almost unlimited runflat capability and enhanced ride comfort but indifferent lateral stability. Continental is optimistic that CTS will be on some high-volume cars by the end of the decade but the automotive industry is adopting a wait and see policy.

Continental is well aware that it can only hope to succeed with CTS if other tyre makers agree to make it under licence.

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Vehicle Components 6

A rapid increase in demand

Electronics
JASON CRISP

TO PUT hundreds of thousands of components on a tiny microchip, the chips have to be made with enormous care in exceptionally clean and vibration-free conditions. Put them in a car and they have to be tough, enough to be baked, frozen, sprayed in oil and vibrated for hours at a time.

Ten years ago the semiconductor manufacturers looked in delight at the potential demand from the car industry for their wares, and then in horror when they saw the specifications.

The standard demand is that a chip used in the engine compartment will operate reliably between -40C and +120C, up to 100 per cent humidity, be vibrated very fast at up to a 15G force, be dropped three feet on to cement, and survive salt spray, battery acid and oil. And above all they must be cheap; the car industry certainly would not pay military prices even if the specification was that tough.

Even if it was a tall demand the semiconductor industry recognised the potential sales and now electronics are an essential and increasingly important part of practically every car.

According to a recent report by London consultants Frost and Sullivan, the US market alone for automotive electronics will be worth \$6.8bn this year — and that excludes in-car entertainment systems. This is expected to rise to \$11.8bn by 1990.

Electronics in engine control systems have helped to make cars more efficient while still meeting tougher pollution laws, and devices such as anti-lock braking systems have made them safer. The growth has been dramatic in the past few years, particularly in the US. There the driving force has been the contradictory pressure to clean up exhaust emissions as well as laws requiring US companies to improve their overall fuel efficiency. Computer-controlled engine systems have been a critical factor in trying to achieve both.

But demand for all types of electronic equipment has risen very rapidly in the past few years, boosted by rapidly-falling prices, greatly-improved reliability and the consumers' growing taste for electronic devices together with the desire



The Carin navigation system uses dead reckoning based on information from wheel sensors and an electronic compass to tell the driver his route once the departure and destination points and special requirements have been fed in. Carin will direct the driver along, say, the shortest route, the most scenic or most economical with the aid of a computer and a compact disc

of car makers to differentiate their products by producing extra functions.

For example, in 1982 only 13 per cent of cars had cruise controls but by 1984 this was 51 per cent. Over the same period fuel injection rose from 13 per cent to 38 per cent, and digital clocks from 38 per cent to 63 per cent.

The examples of electronics in cars are numerous and diverse ranging from keyless locks and digital clocks to ignition and fuel injection.

More than nine out of ten cars now made in the US have some form of electronic engine control. For instance, Ford's EEC-IV system, first introduced in 1983, can process nearly 1m engine control commands a second, taking data from six engine sensors. It has been developed so that it also can be used for diagnosing faults, and for transmission control.

In Europe, BMW and Mercedes-Benz have led the way with electronic anti-lock braking systems which have sensors on all four wheels and which momentarily cut the brake pressure as soon as one locks. This allows the driver to stop more quickly, particularly in bad conditions, and to steer even when braking in an emergency. Now Ford, in Europe and the US, is offering ABS and backing it up with heavy promotion.

In Japan, Toyota has developed a micro-computer controlled suspension system which adjusts the damping forces of the car's four shock absorbers. The driver can choose between "normal" suspension and two "sport" settings depending on whether he or she wants comfort or speed.

The Toyota Electronic Modulated Suspension (TEMS) can also be set at Auto so that the

suspension changes according to the manner in which the car is being driven.

In France, Renault is offering a remote key system. A small transmitter in a box which can be hung on a conventional key ring will lock or unlock a car at up to 100 yards and the lights will flash to acknowledge your command.

Philips, the Dutch electricals giant which is a major supplier of in-car entertainment systems, is one of several companies developing navigation systems. Its Carin system exploits the enormous storage capacity of the compact disc. The silver 5 in disc which would normally store an hour of Mozart can contain the entire road map of a country like Britain and includes every petrol station, restaurant and pub.

Initially connected to a compass and sensors on the wheels,

Carin will use a system of dead reckoning and a computer will tell the driver where to turn based on the information stored on a compact disc. Eventually it may be linked to a satellite navigation system such as the US Defence Department's \$8bn Global Positioning System. First production models are likely to be available from 1988.

Top range BMW models have a computer which continuously monitors a number of functions including the way in which the car is being driven. These enable the computer to tell the owner when the vehicle needs a service and the garage what work needs to be done.

In the US, the Buick Riviera has a television-type screen mounted in its dashboard which is touch-sensitive and can be used to control items as diverse as the radio, the air-conditioning and heating, and trip computer.

New developments on the way include multiplexed wiring, which removes the ever-growing size of the wiring loom, automatic load-levelling, satellite navigation, automatic temperature control and sophisticated anti-theft devices.

The largest producers of electronics for the US automotive industry are, certainly, the three giants, General Motors, Ford and Chrysler. GM's subsidiary, Delco Electronics, is a very large producer of electronics equipment. For example, it produces about 700,000 integrated circuits a day.

Frost and Sullivan estimate that Motorola is the largest merchant supplier of electronics to the US car industry for powertrain controls, followed by Bosch, Nipponensu and Hitachi. Powertrain controls represent by far the largest use of electronics in automobiles. Frost and Sullivan also estimate that Bosch is the largest merchant supplier for vehicle controls followed by ITT and then Hitachi.

The convenience and safety which electronics can bring to cars is one of the fastest-growing areas. There are devices which include cruise control, automatic switching on of lights, push-button locks and wind-screen wipers which adjust themselves to deal with the amount of rain automatically.

There is no doubt that electronics in the car are becoming as pervasive as they are in so many other areas of life. The automotive industry as a result has been one of the brighter spots in the depressed semiconductor sector.



Chloride production line and (inset) the Torquestarter, now selling successfully in the replacement market after struggling in vain to find acceptance as original equipment

Tough competition

Batteries
JOHN GRIFFITHS

THE WORLD market for automotive batteries is relatively static, at 160m-170m units. World output of cars last year was slightly under 32m, and commercial vehicle production substantially less, so the batteries industry is one heavily dependent on the replacement market.

It is thus intensely price-competitive, in the context of being primarily from the consumer's point of view—a distress purchase.

And in Europe this competition is heightened by the presence of substantial overcapacity, estimated by Chloride group—itsself in the middle of major restructuring to cut costs and improve margins—at about 40 per cent.

One of the more recent contributors to this overcapacity has been General Motors, whose AC Delco plant in France was brought into being to supply not only all its own vehicle plants in Europe, but to seek a strengthened aftermarket presence.

It has had a particular impact in the UK because of the huge resurgence of Vauxhall/Opel's fortunes. The company's battery business used to be shared between Lucas and Chloride, and was not desper-

ately important to either as Vauxhall's market dwindled to about 8 per cent in 1981.

Now, however, Vauxhall has edged narrowly in front of BL, and all batteries are sourced from AC Delco.

All Europe's leading battery makers keep their precise market shares close to their chests. But there is something of an industry consensus that Varta of West Germany is the European market leader, given its position in the heartland of Europe's most powerful motor industry. Second comes the French GCE Fulmen concern, Tudor of Spain third, Italy's Magneti Marelli fourth and Chloride fifth.

The European market remains segmented along primarily national lines, for the simple reason that batteries are exceptionally heavy in relation to both volume and unit value. So there is a strong disincentive to ship them for the long distances involved in cross-border trade.

This factor partly explains why, despite Japanese and other Far Eastern manufacturers' particular interest in motor industry products offering the prospect of high volume sales across a wide spectrum, there has been little attempt from them to compete for business in the sector.

This situation holds true for most of the original equipment

sector and in the aftermarket. And for as long as traditional lead/acid technology is retained, it is likely to remain the choice of Chloride, which has made an effort to buck the trend with its Torquestarter battery—a car unit with its electrolyte absorbed within fluffy paper, which cannot leak. It is considerably lighter than conventional units and is sealed for life.

The thinking behind developing the Torquestarter was that vehicle makers could design it into a car in any location and would welcome the 20 per cent weight-saving, thus giving Chloride a clear commercial advantage. But the Torquestarter is three years old, and has yet to find an o/e customer.

It is now being sold, successfully, in the aftermarket as a premium product, pitched against rivals such as AC Delco's own Freedom battery, also sealed for life.

Like Unipart, with its Samsone batteries, Chloride and AC Delco have made a firm pitch at the premium sector, endeavouring—unlike the bulk of the batteries aftermarket—to sell on technology rather than simply price.

But the aftermarket itself is changing, with the emergence of large, independent parts and accessories superstores such as those being launched in the UK by Halfords and B & Q. And increasingly, they will have the muscle to impose margin pressures of their own.

THE NEXT CHAPTER HAS BEGUN.



TRANSIT number one rolled off the Ford production line in 1965. Last year the astonishing figure of 2,000,000 was reached. Now the next chapter has begun.

EVOLUTION NOT REVOLUTION.

Ford have combined all the most successful features of the last twenty years with all the latest knowledge and technology. They've produced a Transit that's even more economical, yet has far greater loadspace and better load access. A vehicle with a higher level of comfort, but one that is even more rugged, even more reliable.

THE CLASSIC DESIGN CONCEPT.

The design concept is a classic. The cab, engine and loadspace are located in three separate compartments, so no one element interferes with the others.

Rear wheel drive is featured on all models, while for the first time short wheelbases have independent front suspension.

And to cut maintenance costs, self-adjusting mechanisms and lubricated-for-life components have been included in the design. Even the bonnet hasn't been overlooked — it opens higher and wider for easier access to the engine.

STRETCHING FUEL ECONOMY BOUNDARIES.

Ford have also made the new Transit cheaper to run. Aerodynamics have been improved dramatically giving it a drag co-efficient that few others can equal. And the engines are among the most reliable and cost efficient on the road.

Add all this to the versatility and economy of Ford's own gearboxes and you've got a cost-cutting combination.

TAKING LOADSPACE INTO ANOTHER DIMENSION.

As for loadspace, the new Transit boasts even more than its illustrious predecessor.

The long wheelbase features a semi-high roof with 297 cubic feet of loadspace — a 13.5% improvement. The short wheelbase has 11% more room than before with 202 cubic feet. But short wheelbase models also offer a semi-high roof option, boosting the overall loadspace improvement to 22%.

Access has also been improved. The rear doors are up to 9" taller and rear loading width is up to 5 1/2" greater. And there's a new low-effort, sliding side-door available that can easily swallow a metre-wide pallet.

LEAVING YOUR OPTIONS OPEN.

Needless to say the new Ford Transit is a very versatile vehicle. It's available in van, chassis cab, bus and crew-bus models with a choice of seven payloads and three different wheelbases.

With over a thousand Ford dealers spread across the country your options are also open when it comes to arranging a test drive. In the Ford Transit success story, the next chapter has begun.



THE NEW FORD TRANSIT.

John Griffiths

INTERNATIONAL COMPANIES and FINANCE

Pan Am to acquire Ransome Airlines

BY PAUL TAYLOR IN NEW YORK

PAN AM, the US airline, is to acquire Ransome Airlines, a small Philadelphia-based regional carrier, in an effort to generate more passenger traffic for its international routes.

The deal is the latest in a series of planned mergers announced by major US airlines and mirrors Trans World Airways' (TWA) recently announced plans to acquire Ozark Airlines.

Pan Am, which competes directly with TWA on the lucrative transatlantic routes, declined to disclose terms of its planned purchase. Mr Edward Acker, Pan Am's chairman and chief executive, said the acquisition was expected to be completed by April 15 with full operation aimed at the start of June.

Ransome, which will be renamed Pan Am Ransome Express upon completion of the deal, operates a fleet of 12 small airliners and has a route system concentrated in the north-east, stretching from Portland, Maine, to Washington DC. Mr Acker said Pan Am plans to use its new subsidiary to set up a feeder system generating business

for the airline's New York Kennedy Airport international routes. Mr Acker, noting that about 70 per cent of Pan Am's business is international, added, "a key element of Pan Am's marketing strategy is to increase its US domestic feed."

The proposed acquisition, such as the other recently announced US airline mergers, is subject to regulatory approval. Earlier this week, the US Justice Department announced that it was opposing the planned \$884m merger of Northwest Airlines and Republic Airlines on anti-trust grounds. However, both Northwest and Republic are based at Minneapolis/St Paul, and many of the Justice Department's objections revolve around the two airlines' dominant position in that marketplace.

In any event the US Transportation Department has final authority for approving or rejecting all airline mergers, and most industry analysts doubt whether the Administration will stand in the way of the sweeping restructuring of the US airline industry.

Phillips Petroleum to seek more than 2,000 job cuts

BY OUR FINANCIAL STAFF

PHILLIPS Petroleum, the US integrated oil concern, hopes to reduce its workforce by between 2,000 and 2,500 in response to the changing economic climate in the oil industry.

The heaviest cuts will come in the company's exploration and production operations, due mainly to a sharp cut in exploration spending. Mr Glenn Cox, president and chief operating officer, said exploration and production staffing in Bartles-

ville, Oklahoma - the Phillips headquarters - and in Denver, Houston and London would be most affected.

Mr Cox said the company was not requiring an across the board reduction, but "we anticipate that when all the individual groups and staff plans are implemented, we will have reduced our total workforce by 2,000 to 2,500." The workforce now totals 26,700.

● Shell Canada, the big Canadian

energy group, has reached agreement with the Alberta Government on a tax regime to allow a CS250m (US\$187m) pilot tar sands mining project to go ahead, writes our Montreal Correspondent.

The project, at Shell's Athabasca property in northern Alberta, will have a daily capacity of 1,500 barrels of bitumen. Plant construction is due to begin in 1988 and to be completed in 1990.

All these Bonds having been sold, this announcement appears as a matter of record only.

BFCE
BANQUE FRANÇAISE
DU COMMERCE EXTÉRIEUR



US \$ 270,000,000
FLOATING RATE NOTES DUE 1996

300,000 9 1/4% INCOME WARRANTS
TO SUBSCRIBE US \$ 300,000,000 9 3/4%
BONDS DUE 1996
UNCONDITIONALLY GUARANTEED

by
THE REPUBLIC OF FRANCE

Société Générale
Credit Suisse First Boston Limited
Merrill Lynch Capital Markets

Algemene Bank Nederland NV
Banque Nationale de Paris
Crédit Agricole
Deutsche Bank Capital Markets Limited
Enskilda Securities
Gandens Bank Limited
Morgan Stanley International
Orion Royal Bank Limited
Shearson Lehman Brothers International
Union Bank of Switzerland (Securities) Limited

Bank of Tokyo International Limited
Caisse des Dépôts et Consignations
Crédit Lyonnais
Dresdner Bank Aktiengesellschaft
Morgan Guaranty Ltd
Nomura International Limited
Salomon Brothers International Limited
Swiss Bank Corporation International Limited
S. G. Warburg & Co. Ltd.

Dossier 1985

HAND DELIVERY SERVICE

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SWITZERLAND

NOTICE TO HOLDERS OF

BITSUJI REAL ESTATE DEVELOPMENT CO., LTD.

(Mitsui Fudoshin Kabushiki Kaisha)
7 1/2 per cent Convertible Bonds Due 1996

Pursuant to Clause 7(B) and (C) of the Trust Deed dated 12th December, 1980 under which the above Bonds were issued, notice is hereby given as follows:

1. On February 21, 1986, and on March 28, 1986, the Board of Directors of the Company resolved to issue new convertible bonds in Japan on April 14, 1986.
2. The conversion price of the Bonds as in effect on the date hereof is Yen 448.10 per share of Common Stock.
3. The aforesaid issuance of convertible bonds will not result in an adjustment of the conversion price of the Bonds.

BITSUJI REAL ESTATE DEVELOPMENT CO., LTD.
By: The Bank of Tokyo Trust Company as Trustee

Dated: April 2, 1986

Brasilvest S.A.

Net asset value as of 31st March, 1986
per Cr\$ Share: 196,634,083.59
per Depository Share: U.S.\$42.279
per Depository Share: (Second Series) U.S.\$28,200.37
per Depository Share: (Third Series) U.S.\$22,586.89
per Depository Share: (Fourth Series) U.S.\$21,053.79

Extract from Accounts at 31st December, 1985

	1985	1984
Issued Capital and Capital Reserve	£000	£000
Retained Profits	16,234	14,757
Subordinated Loans	13,399	11,745
Deposits	15,248	18,949
Loans	475,125	489,734
Total Assets	297,216	373,271
Profits before Taxation	527,399	548,311
after Taxation	4,210	4,184
	3,130	2,513

Japan International Bank Limited

Shareholders

The Fuji Bank
The Sumitomo Bank
Daiwa Securities
The Mitsubishi Bank
The Tokai Bank
The Nikko Securities
Yamaichi Securities

107, Cheapside, London EC2V 6BR

All these securities having been sold, this announcement appears as a matter of record only.



Province de Québec

U.S.\$250,000,000 9 per cent. Bonds 2016

Issue price 99 1/2 per cent.

S. G. Warburg & Co. Ltd.
Union Bank of Switzerland (Securities) Limited
Commerzbank Aktiengesellschaft
Kredietbank International Group
Swiss Bank Corporation International Limited
IBJ International Limited

Credit Suisse First Boston Limited
Banque Nationale de Paris
Crédit Lyonnais
Merrill Lynch Capital Markets
Orion Royal Bank Limited
Lévesque, Beaubien Inc.

NEW ISSUE

This announcement appears as a matter of record only.

27th March, 1986

OMRON
OMRON TATEISI ELECTRONICS CO.
(Tateisi Denki Kabushiki Kaisha)

U.S.\$100,000,000 4 per cent. Guaranteed Bonds due 1991
with
Warrants

to subscribe for shares of common stock of Omron Tateisi Electronics Co. unconditionally and irrevocably guaranteed by

The Mitsubishi Bank, Limited

Issue Price 100 per cent.

Nomura International Limited
Mitsubishi Finance International Limited
Baring Brothers & Co., Limited
Citicorp Investment Bank Limited
Credit Suisse First Boston Limited
Goldman Sachs International Corp.
Mitsui Finance International Limited
Morgan Stanley International
Swiss Bank Corporation International Limited

The Nikko Securities Co., (Europe) Ltd.
Hill Samuel & Co. Limited
Berliner Handels-und Frankfurter Bank
Crédit Lyonnais
Robert Fleming & Co. Limited
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)
Morgan Guaranty Ltd
Société Générale
Union Bank of Switzerland (Securities) Limited

This announcement appears as a matter of record only.

SOCIETE LYONNAISE DE BANQUE

U.S. \$60,000,000
(Multi-Currency)

Transferable Revolving Underwriting Facility

for the issuance of

Short-Term Negotiable Bearer Certificates of Deposit

incorporating a

Reciprocal Line-of-Credit Provision in Domestic French Francs

Arranged by

Merrill Lynch Capital Markets

Managing Underwriters

Al Saudi Banque (A.S.B.)
Banca Nazionale del Lavoro
Banque de Chine
Cassa di Risparmio delle Provincie Lombarde
Dai-ichi Kangyo International Limited
Fuji Bank, Limited/Fuji International Finance Limited
Gulf Riyad Bank E.C.
Kansallis Banking Group
Monte dei Paschi di Siena
Union Bank of Finland Ltd

Banca Nazionale dell'Agricoltura
Banco di Santo Spirito
Banque Européenne de Tokyo S.A.
Copenhagen Handelsbank A/S
First National Boston Limited
Generale Bank
Istituto Bancario San Paolo di Torino
Kuwaiti-French Bank
Sanwa International Limited
WestLB International S.A. Luxembourg

Principal Placing Agents

Merrill Lynch Capital Markets

April 1986

Handwritten signature or stamp

INTL. COMPANIES & FINANCE

Sharp increase in group profits at Cheung Kong

BY DAVID DODWELL IN HONG KONG

CHEUNG KONG, the Hong Kong holding company controlled by Mr Li Ka-shing yesterday reported consolidated net profits for last year of HK\$551.7m (US\$70.7m), more than 2 1/2 times the 1984 profit of HK\$213.5m which had been depressed by a number of major provisions.

1985 left the group debt-free, Mr Li said yesterday. He predicted that the group will prudently review investment opportunities in 1986.

Against last year's extraordinary losses were gains amounting to just over HK\$65m made up of write-offs in Green Island Cement, and a loss on the sale of a stake in Lee Hing, a property group.

Bell set to launch fresh BHP bid

BELL RESOURCES, Mr Robert Holmes & Court's Perth-based company, said yesterday it had lodged a fresh takeover document seeking to bid for shares in Broken Hill Proprietary (BHP), Reuter reports from Melbourne.

Full details of terms and price would be announced on registration, Bell said in a notice to the Melbourne Stock Exchange. It indicated, however, that the new offer would be designed to overcome objections raised by BHP in recent litigation in the Victoria Supreme Court.

Bell said it had chosen to assume the validity of BHP's objections rather than engage further in the commercially wasteful exercise of contesting the issues raised.

Last week Bell dropped its previous partial offer, which aimed for between 20 per cent and 34 per cent of BHP on top of its current stake of nearly 19 per cent. The withdrawal followed a month of litigation initiated by BHP challenging Bell's initial offer document.

The offer would be made on a cum-dividend basis, entitling Bell to the BHP final dividend, payable on May 28, and yet to be declared. Consequently, it would be made only if it could be despatched to shareholders on or before April 22, Bell added.

If the announced date for payment of the BHP dividend is altered, the offer would be made only if it could be despatched at least five weeks before that date.

An extraordinary meeting of Bell Resources to consider a placement of shares to Bell Group, its parent—which was adjourned for a month from March 18—has been cancelled, Bell's statement went on.

India drops dividend tax proposal

MR VISHWANATH PRATAP SINGH, the Indian Finance Minister, has announced the withdrawal of a controversial proposal in the 1986-87 budget imposing a tax on dividends earned from investments by one company in another, Reuter reports from Delhi.

He also offered concessions on excise duties which, he said, would mainly benefit small businesses. The budget is expected to be formally approved by Parliament next month.

The withdrawal of the dividend tax is expected to boost investment in stock markets, brokers said. But they added that the Government had not withdrawn another controversial measure, known as modified value added tax.

Malaysia monitoring move to curb share offers

THE MALAYSIAN Government will in future closely monitor company listings on the Kuala Lumpur Stock Exchange (KLSE), to prevent too many public share offers, Reuter reports from Kuala Lumpur.

The exchange's Capital Issues Committee (CIC) said priority would be given to companies involved in tourism, manufacturing, agriculture and export-oriented activities.

The exchange's supervisors the local securities industry, temporarily froze new listings on the KLSE last February. Since then only three new listings have been permitted.

The exchange said it was now studying applications from some companies for listing. He said the CIC had issued a set of guidelines.

single composite stock market index today to replace its present six-sector index, the CIC added.

The new KLSE Composite Index was being introduced because the present one was outdated and did not fully represent all segments of a changing local market, it said.

The 83-component index is intended to reflect share performance more closely, by being more sensitive to investor expectations and be indicative of government policy and economic changes.

Shell Refining Company, a member of the Royal Dutch/Shell group, said its net profit rose to 39.6m ringgit (\$15.1m) in 1985 from 36.4m ringgit. Turnover rose to 1.81bn ringgit from 1.79bn ringgit.

The final dividend was unchanged at 11 cents, making 17 cents for the full year against 16 cents in 1984. Payment date is June 2 for shareholders registered on May 9.

Philippine National Oil boosts net earnings

BY SAMUEL SENOREN IN MANILA

PHILIPPINE NATIONAL OIL COMPANY (PNOC), the state energy development agency, boosted net profits by 11 per cent last year to 900m pesos (\$40m) on sales which rose 5.5 per cent to 21.9bn pesos.

Mr Geromino Velasco, PNOC chairman, fled abroad after Mr Ferdinand Marcos was ousted as President in February. The new Government of President Corason Aquino plans to return the company to the private sector.

The company is under investigation by a special anti-corruption commission established by Mrs Aquino. It is alleged to have paid excessive commissions on freight rates to shipping agents which arranged charters to transport imported oil from 1975 to last year.

The anti-corruption commission obtained documents showing that PNOC, under Mr Velasco, paid commission in excess of the standard rate of 2.5 per cent.

In at least 57 out of 193 charters arranged since 1975, the commissions paid ranged from 5 per cent to an unusually high 8.25 per cent.

PNOC is now headed by Mr Vicente Paterno, the former Trade and Industry Minister, who accepted the post offered by Mrs Aquino on a caretaker capacity for at least three months.

Mr Thiam was traced to Seattle, Washington, by the Federal Bureau of Investigation a fortnight ago. The Singapore authorities have issued a warrant of arrest for alleged criminal breach of trust and stock market manipulation.

Pan-Electric was the marine salvage, property and hotel group that collapsed under the weight of \$940m (US\$183.5m) in debts and \$814m in forward share contracts, leaving the shakeup of the Singapore and Malaysian stockbroking industries.

As a former director of a stockbroking firm and of the Pan-Electric group, Mr Thiam was in a position to influence investment decisions of the group.

Singapore prosecutors have said that the group's collapse was the result of a conspiracy to use funds of companies in the group without obtaining board approval.

Mr Tan Kok Liang, the former Pan-Electric finance chief, pleaded guilty to two charges of criminal breach of trust involving \$554,000 and is now serving a 15-month sentence.

Mr Tan Koon Swan, the Malaysian politician-businessman, is due to stand trial on May 5 on 15 charges ranging from criminal conspiracy.

DAIWA EUROPE LIMITED

JAPANESE EQUITY WARRANTS SERVICE

Table with columns: ISSUER-Warrant expiry date, Current Market Prices, Offer Calculations. Lists various Japanese companies like Aika Kogyo, Ajinomoto, etc.

Advertisement for America West Airlines. Features the logo and text: 'America West Airlines \$80,000,000 7 1/2% Convertible Subordinated Debentures Due 2011'. Includes contact information for L.F. Rothschild, Unterberg, Towbin, Inc. and Dean Witter Reynolds Inc.

Advertisement for U.S. \$100,000,000 The Sumitomo Trust Finance (H.K.) Limited. Includes details about 12% Guaranteed Notes Due 1992 and a list of serial numbers for redemption.

Advertisement for Kawasaki Steel Corporation. Features the logo and text: 'KAWASAKI STEEL CORPORATION 7 1/2 per cent. Dual Currency U.S. Dollar/Yen Notes due 1996'. Lists various international agents like Dai-ichi Kangyo International Limited, etc.

Advertisement for The Armstrong Rubber Company. Features the logo and text: 'The Armstrong Rubber Company 7% Convertible Subordinated Debentures Due 2011'. Includes details about convertible debentures and contact information for The First Boston Corporation.

INTERNATIONAL COMPANIES and FINANCE

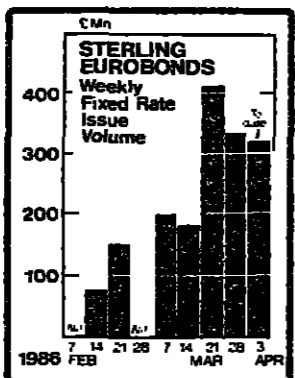
Borrowers flock to the Eurosterling market

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

MR ANDREW WINCKLER of Lloyds Merchant Bank calls it the ketchup principle: You shake the bottle for a long time while nothing comes out, he says. Then it all comes in a rush.

Credit Bank and the 9 1/2 per cent bond for Industrial Bank of Japan, have met a distinctly lukewarm reception.

The problem is that there are two strands to the market today. One, which involves a structural change and the appearance of UK institutions as buyers of longer-dated bonds, tends to obscure the fact that for those retail investors in Europe who traditionally buy Eurosterling paper from time to time on mainly currency considerations, little appears to have changed.



The issues coincided with an upsurge of demand among UK institutions for fixed rate paper as world bond markets took off in the wake of declining inflation. No-one wanted to be left out of a boom that took new issue yields on seven-year sterling paper down from 10.77 per cent for Westpac Banking in the first week of March to 9 per cent for Nippon Credit Bank this week.

Yet the question that bankers now have to decide is whether such ideas appear to be a once and for all shift into British currency.

It is easy to see why the Eurosterling market has caught the imagination of some European investors, and recently Japanese investors too, at this stage of 1986. The dollar has weakened markedly and they are looking to diversify into other currencies.

At the same time, the yen has strengthened and they are looking to diversify into other currencies. Sterling still offers high yields compared with other alternatives such as the D-Mark, yen and Swiss franc.

relative oil prices, but it does not yet appear to be a once and for all shift into British currency.

From that perspective the Eurosterling market retains its oil characteristics. It is still a satellite market, far more limited in scope and importance than the much larger international bond sectors in dollars, D-Marks, Swiss francs and yen.

Novel equity warrant issues well received

BY ALEXANDER NICOLI

TWO INNOVATIVE issues of bonds with equity warrants were announced yesterday, offering investors protection against a fall in the underlying share price.

The Eurobond market overall saw a continuing flood of new issues, with several borrowers braving the dollar straight sector as New York bond market prices appeared to be stabilising after the past few days' unsteady ride on the back of oil prices.

The first of the new equity warrant deals was a private placement for Chugoku Marine Paints of Japan. Citicorp Investment Bank is leading the SFR 30m, seven-year issue, on which the coupon will be indicated today.

The exercise premium 2 1/2 per cent above the share price is typical on such issues, which will be reset in 1990 at the same premium above the share price at the time. The concept, akin to an option on an option, would have little effect if there was a

sharp increase in the share price. Investors would exercise the warrants and not switch into the higher exercise price.

Soon after the Chugoku issue was announced, Nikko Securities unveiled Mitsubishi's \$400m issue, with an eight-year life and 3 1/2 per cent indicated coupon. Merrill Lynch is joint lead and Citicorp Investment Bank one of the co-leads.

The exercise price will be reset in 1991 at 2 1/2 per cent over the share price, but with a limit on each direction: a ceiling of no more than 120 per cent of the original exercise price, and a floor of 80 per cent. This tunnel was apparently set because the size of the deal

straight sector. Nippon Kokan, the steel-maker, launched a \$100m issue led by Chemical Bank International, with a 7 1/2 per cent coupon and seven-year life, priced at 101 1/2.

Merrill Lynch Capital Markets led a \$100m issue on its parent company's behalf, for five years with a 7 1/2 per cent coupon and 100 1/2 price. The issue had a 61 basis point spread over US Treasuries.

Manufacturers Hanover launched the first Eurobond issue for Italy's Casse di Risparmio della Provincia Lombarda (Cariplo), the world's largest savings bank. The zero-coupon deal, with a nominal amount of \$100m, was priced at 68 1/2 with a five-year life.

issue supported by a "direct pay" letter of credit from Mitsubishi Trust and Banking, and therefore carrying an A.A.A. rating. The deal, led by Bank of America International, has a five-year life, 7 1/2 per cent coupon and 100 1/2 price. It was launched at 65 basis points over Treasuries.

The European currency unit sector saw a popular issue from Rabobank Nederland, led by Swiss Bank Corporation International. With a 10-year life, the Ecu 75m offering has a 7 1/2 per cent coupon and 101 price. It traded substantially within its face.

The Municipal Finance Authority of British Columbia issued a C\$65.5m 15-year issue in a sector which also gave a good reception to the first 20-year paper launched on Wednesday by UBS (Securities) for Bell Canada.

another \$50m issue, for Scottish and Newcastle Breweries, led by Hill Samuel. It continues the recent pattern of long-dated issues for UK corporate borrowers with a 20-year maturity. Coupon is 9 1/2 per cent with pricing at 100 1/2, giving a 7 1/2 basis point spread over gilts at present.

Household Finance of the US made a \$18bn 10-year issue, with a 6 per cent coupon, priced at 101 1/2 by Mitsubishi Finance International.

Other Swiss issues included: a SFR 150m issue for Canon Sales, SFR 150m for Oesterreichische Kontrollbank, SFR 100m for Tabu Railway, SFR 100m for Sumitomo Chemical, SFR 100m for Kansai Electric and SFR 50m for Tokai. Prices were up about 1 1/2 moderate trading.

Keating to join CSFB as UK economist

Mr Giles Keating, a top monetarist economist from the London Business School, is to join Credit Suisse First Boston next month as its UK economist, writes Peter Montagnon.

MoF smiles on Tokyo's offshore market

THE JAPANESE Ministry of Finance has breathed new life into the much discussed plan to establish an offshore market in Tokyo. The market is to begin operations this autumn at \$35bn, and the Government will restrict usage of loans borrowed from foreign exchange banks' special accounts at the offshore banking centre.

\$238m Olympic credit for NBC

A US\$238m letter-of-credit confirmation facility for National Broadcasting Corporation of the US in relation to the 1988 Seoul Olympic Games has been launched by a group of banks, according to BT Asia, chief Asia correspondent. Reuters reports from Hong Kong.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on April 3

Table with columns for bond type (US DOLLAR STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE, BONDS, DEUTSCHE MARK, SWISS FRANC STRAIGHTS, YEN STRAIGHTS), issuer, and price/yield information.

U.S. \$300,000,000

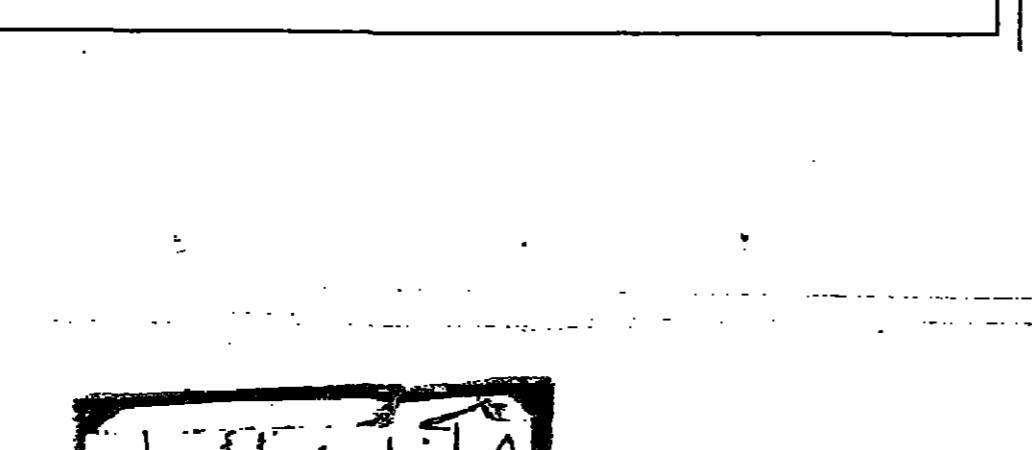


9% Debentures Due 2016

- List of financial institutions: Credit Suisse First Boston Limited, Salomon Brothers International Limited, Nomura International Limited, Swiss Bank Corporation International Limited, Union Bank of Switzerland (Securities) Limited, Julius Baer International Limited, Banque Bruxelles Lambert S.A., Banque Nationale de Paris, Deutsche Bank Capital Markets Limited, Goldman Sachs International Corp., Lloyds Merchant Bank Limited, LTCB International Limited, Merrill Lynch Capital Markets, Morgan Guaranty Ltd, Morgan Stanley International, Algemene Bank Nederland N.V., Banca Commerciale Italiana, Banca Nazionale del Lavoro, Banca della Svizzera Italiana, Bank Leu International Ltd., Bank Leumi le Israel (Switzerland) AG, Bank of Tokyo International, Bank J. Vontobel & Co. AG, Compagnie de Banque et d'Investissements, CBI, Credit Lyonnais, Credito Italiano, Daiwa Europe Limited, Generale Bank, Hentsch & Cie, IBJ International, Lombard Odier International Underwriters S.A., Manufacturers Hanover, Mitsubishi Trust & Banking Corporation (Europe) S.A., Mitsui Trust Bank (Europe) S.A., The Nikko Securities Co., (Europe) Ltd., Orion Royal Bank, PaineWebber International, Pietet International Ltd, Sanwa International, J. Henry Schroder Wagg & Co., Shearson Lehman Brothers International, Swiss Volksbank, Westdeutsche Landesbank, Yamaichi International (Europe) Limited

SFr 1.64bn raised by Eurofima

By William Duffice in Geneva EUROFIMA, the joint stock company owned by 16 European national railways, raised the equivalent of SFr 1.64bn (\$844m) in new 9 1/2 per cent and long-term financings last year, according to its annual report for 1985. This was SFr 216m less than in the previous year.



As promised, they have delivered a handsome profit.



Clearly, the investment that we have made in Debenhams is paying off.

But then we always knew Debenhams fortunes would follow in the footsteps of the Burton Group as a whole. As a group we have recorded sales of £620.5m. (Up 135% on last year.)

Our pre-tax profits are up by 114% to £74.3m. And our interim dividend has jumped from 1.25p to 1.6p.

At £53.4m, our half-year capital expenditure has never been higher.

And whilst the number of jobs has increased by over 2,000, the number of new trading outlets opened stands at 64.

Our commitment to British-made goods has never

been stronger either. Currently up another £62m, we fully intend the figure to grow and grow.

The investment in our community employment initiative (one of the largest in the private sector) is also considerable.

We're helping 150 new business ventures get off the ground.

Certainly, we can't be accused of not trying out some new ideas.

Which is why we believe we will remain an exciting company to work for. To buy from. And to invest in.

The Burton Group plc.
Creating a wider choice.

UK COMPANY NEWS

Reckitt shares boosted by results

THE CITY welcomed the results of Reckitt and Colman by marking the shares up by 64p to 900p after the company exceeded most forecasts. It had been expected that it would report pre-tax profits for the year to January 4 1986 of about £120m, but came in with £123.39m, an increase of 16 per cent on last year's £106.4m.

Exchange rate movements resulted in sales being reduced by £92.5m and pre-tax profits by £8.45m, of which two-thirds was from Africa and the rest in Australia and Asia.

The directors say that the net interest charge, at £1.93m, was low. That was due to successful cash management and to the exclusion of interest payable on the Airwick acquisition before its consolidation, which reduced the figure by about £3m.

A breakdown by products showed that household and toiletry had sales of £584.8m (£418.9m) with pre-tax profits of £57.3m (£44.8m); food and wine £441.1m (£272.4m), £21m (£26.5m); pharmaceuticals £119.8m (£114.7m), £2.4m (£2.7m); 7.6m (£6.4m); industrial cleaning £61.6m (£63.5m), £1.5m (£2.3m) and fine art and graphics £26.4m (£24.2m), £3m (£2.8m).

Cluff Oil £9m in the red

A DECISION to write down the book value of certain assets by £9.3m pushed losses of Cluff Oil Holdings up from £635,000 to £9m pre-tax in 1985.

However, Mr Algy Cluff, the chairman, says lack of debt, strong cash balances and alternative sources of revenue enabled the group to cope through the difficulties of the year and to face 1986 from a securely-based position.

Wm Morrison advances 34%

Wm Morrison Supermarkets reports a record 12 months to February 1 1986 with taxable profits rising by 34 per cent and turnover up by 9.4 per cent.

The Bradford-based company saw profits rise to £15.7m compared with £11.7m for the 53 weeks to February 3 1985. Turnover excluding VAT improved by £31.75m to £267.99.

Mr K. D. Morrison, chairman and managing director, says the policy was introduced so that development costs would be reflected more accurately and because high interest charges would be likely to unfairly distort the company's performance.

Operating profit came out at £15.85m (£12.89m) with a further £1,000 (£54,000) from share of associate and net interest received adding £568,000 (£608,000 payable).

The tax charge was £6.51m (£5.35m) and dividend absorbed £1.25m (£1.02m), leaving retained profit at £7.94m, against £5.37m.

In the present year work will start on a further seven sites which will open between early 1987 and the middle of 1988, adding a net 301,000 sq ft and bringing the total to 1,244m sq ft with an average sales area of 31,000 sq ft.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current payment, Date, Correlation, Total, Last year. Includes Abbey Life, Barton Group, Druck Hidge, etc.

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition shares. ‡ USM stock. § Unquoted stock.

Jaguar in the lead with exports of £500m

Jaguar Cars' exports passed the £500m mark for the first time last year, giving it clear leadership in car exports from the UK.

The 29,683 vehicles exported, worth £562m, represented about 40 per cent of the UK total and compares with an estimated value of Austin Rover exports of £306.425m.

In part, this reflected the departure as chairman during the year of Mr Hamish Orr-Ewing, and the assumption by Mr Egan of both top roles.

OFT examines complex British Sugar loan swap

THE OFFICE of Fair Trading is examining a complex £200m dividend loan swap between S & W Berisford, the commodity trader, and its wholly owned subsidiary, British Sugar.

It may affect undertakings given when it acquired British Sugar in 1982 after a bitter £240m takeover battle. It is required to ensure that British Sugar "is maintained as a separate group of companies without major changes in the activities or the aggregate of the group as a whole".



Mr Ephraim Margulies, chairman of S & W Berisford

Mr Margulies said yesterday that it had held talks with all these parties but none had yet made a firm proposal in relation to British Sugar or the group as a whole.

They include tea, timber, pepper and plantations in schemes based in a variety of countries, such as Papua, New Guinea, the Ceyman Islands, West Germany, Britain and the US.

Tate, which announced yesterday that it had raised its stake from 32 per cent to 51 per cent, would dearly like to acquire British Sugar, which has margins on beet far higher than Tate's sugar refining business.

Latest prices: At last some help for the hard pressed Imperial shareholder. Mindful that share prices can vary daily, we are publishing a bulletin showing the value of each of the offers for your company. In order to be perfectly fair, the values we've quoted are based on the best possible offers. The next closing date of our offer is April 11 at 3pm. HANSON BID WORTH: 380.3 P. UNITED BISCUITS BID WORTH: 362.5 P. HANSON BID BETTER BY: 17.8 P.

HANSON TRUST CONTINUING GROWTH FROM BASIC BUSINESSES.

Acorn looks to new products as losses show big reduction

THE troubled Acorn Computer Group incurred losses of £2.94m pre-tax in the six months ended December 31, a figure in line with the directors' expectations at the time of the second rescue package agreed in July 1985.

During the six months Acorn also tightened its internal management structure so as to concentrate resources on product development.

Revenue account we are confident that we have defined the right strategy for the company and provided a sound platform for a profitable future.

Mr Long points out that consolidation of the group's UK activities into the main Cambridge office, meant that premises in London, Atrincham and Cambridge could be sold.

Significant progress was also made in streamlining corporate activities and reducing overheads.

Mr Long sums up: "The current year will be one of intensive development of new products involving enhancements to BBC's existing product range as well as further advances in high technology."

IN BRIEF

KLEINWORT BENSON Gifford's net revenue increased from £1.96m to £2.13m in the year to April 1 1986. A final dividend of 29.96p gross makes a total of 124.6p (£29.96p). Net asset value per participating share rose to £14.88 (£12.28).

NATIONAL PLASTICS has completed negotiations to sell its Ekco plastics injection moulding business based in Southend-on-Sea, Essex, to Lin Pac Mouldings.

Public Works Loan Board rates. Effective April 3. Table showing interest rates for different terms (1 to 25 years) and non-quota loans.

NOTICE TO LOMBARD DEPOSITORS. Table showing interest rates for various deposit types (14 days notice, Cheque Savings Accounts).

MRES. An open-ended fund (listed in London) specialising in shares of precious metals, oils and other minerals. Consultant: Dr. F. D. Colclander. Investment Advisers: Strauss, Tumbull & Co. Limited.

Imperial Shareholders: which side should you come down on?

United Imperial.

A cohesive group with three related and complementary businesses.

A proven record of success in the management of leading brands.

Opportunities for cost savings and faster profit growth by combining operations.

Profit growth mainly organic, fuelled by high capital investment of over 4% of annual sales in 1985.

All UB's offers provide higher income than Hanson's 'best' bid*.

Agreed management plans to exploit growth opportunities in food and leisure industries.

Hanson Trust.

A conglomerate currently operating in some fifteen different business sectors.

Limited experience of managing branded consumer businesses.

No similar opportunity.

Profit growth mainly by acquisition (capital spending just over 2% of annual sales in 1985).

Hanson's highest income offer (the cash alternative) is worth only 293p per share, or 64p less than Imperial's current market price.

No clear plans. Wait and see.



This stark comparison makes it absolutely clear why the Board of Imperial urgently and unanimously recommend that you accept the United Biscuits offer.

UB and Imperial are natural partners for future growth and prosperity. By accepting the UB offer, you ensure that the majority of your investment will remain in Imperial businesses. This is the only way you can "stay with Imperial".

Time is now short. The future of your company -

its brands, its businesses, its people - may depend on your action.

So please, today, sign and send off the white UB acceptance form. It must arrive by 3:00 pm this coming Friday, 11th April 1986.

If you are in any doubt how to complete the form, please telephone our helpline: 0272 666961.

If you would like to hear why your Chairman,

Mr Geoffrey Kent, and the Imperial Board unanimously recommend the UB offer, please ask the operator for Freefone Imperial Group.



DAYS LEFT TO ACCEPT UB OFFER

10 . 9 . 8 . 7 . 6 . 5 . 4 . 3 . 2 . 1

The sources for the information contained in this advertisement are set out or referred to in Imperial Group and Hanson Trust 1985 Annual Reports, UB's Preliminary Statement and the letter from the Chairman, Imperial Group plc to shareholders dated 3rd April 1986. Imperial's share price is the closing price on 2nd April 1986. The directors of Imperial Group plc (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts and opinions expressed herein are fair and accurate. The directors accept responsibility accordingly. *The reference to Hanson's 'best' bid relates to the Hanson alternative offering the biggest capital value.

This advertisement is published by N.M. Rothschild & Sons Limited and J. Henry Schroder Wagg & Co. Limited on behalf of Hanson Trust PLC. The Directors of Hanson Trust PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this advertisement is in accordance with the facts. The Directors of Hanson Trust PLC accept responsibility accordingly.

The United Biscuits offer: What will be in it for the Imperial shareholder?



When you examine it closely, the United Biscuits argument soon starts to crumble.

They have no experience of tobacco and brewing.

No record of acquiring or managing diversified businesses.

And little chance of creating "global brands." (Even together, "United Imperial" would be dwarfed by the international food giants.)

Now look at Hanson Trust's argument.

Our shareholders have seen their dividends grow by 28.7% p.a. over the last 5 years.

Our earnings per share have grown by 33.9% p.a. over the last 5 years. And our record of growth in profits has been unbroken for 22 years.

United Biscuits' so-called commercial logic? Or Hanson Trust's actual financial logic?

We recommend you accept the Hanson Trust bid before the next closing date on April 11.



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COMMERCIAL LAW REPORTS

Digest of cases reported in Hilary Term

FROM FEBRUARY 7 TO MARCH 4 1986

Hedges & Butler Ltd v Commissioners of Customs and Excise (FT, February 7)
The Customs and Excise wrote to Hedges & Butler calling for the production of an inventory of business documents...

full sum in settlement of the damages. But that still left the court with power to give judgment on liability and to assess the damages and interest...

Customs, and no justification for reading in any implied exclusion.

Bulk Oil (No 2) AG v Sinter International Ltd and Another (FT, February 21)

In a reference by the English Commercial Court to the European Court of Justice concerning a refusal to allow the part of BP and Sinter International to allow Bulk Oil to ship North Sea oil...

In re Imperial Foods Pension Scheme (FT, February 25)

When two subsidiaries of Imperial Foods sold their entire share capital to Hilldown Holdings, a portion of the pension fund was transferred on the basis of an actuarial valuation...

Re BP Petroleum Development Ltd (FT, February 26)

Section 3 of the Petroleum Production Act 1934 states that ancillary rights to mining operations (as laid down in the Mines (Working Facilities and Support) Act 1923)...

Regina v Attorney-General ex parte ICI (FT, February 28)

ICI won its appeal to the Court of Appeal asserting that it was entitled to judicial review of an inland revenue valuation of North Sea gas...

British Leyland Motor Corporation Ltd v Armstrong Patents Co Ltd (FT, March 4)

In allowing an appeal by Armstrong Patents asserting that it was entitled to manufacture exhaust pipes for BL's Marina cars, the House of Lords said that exploitation of copyright law had gone far enough...

By Aviva Golden

THE FINANCIAL TIMES will publish a Survey on INDUSTRIAL STANDARDS on April 22 1986. For further details, please contact MARK FISHER on 01-248 8000 ext 3388.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Allied Bank Unit Trusts, and others, with columns for name, manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Large table providing detailed information for numerous unit trusts, including names like Lazard Brothers & Co Ltd, Legal & General Unit Trusts, and others, with columns for assets, liabilities, and other financial metrics.

F.T. CROSSWORD PUZZLE No. 5988

Crossword puzzle grid with clues. Clues include: 1 Marked and imperfect pieces - a pound only (8), 4 Creating a scene about bottle-opener not being there (7), 10 Hooligans demonstrate affection in a backstreet (5), 17 Within a year lynxes may be extinct - so soon! (5), 20 Beastly fighting man finding it dull before a stick-up (7), 21 This French place causes some displeasure (6), 22 Try a little discrimination (5), 23 Solution to puzzle no 5987.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table listing various financial products, companies, and their details. Includes columns for company names, addresses, and financial data.

INSURANCES section listing various insurance companies and their details.

Handwritten signature or note at the bottom of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including companies like Standard Life Assurance Co Ltd, Zurich American Life Insurance Co, and various international funds.

Table of insurance and overseas funds including companies like Swiss Re, Allianz, and various international funds.

Table of insurance and overseas funds including companies like Allianz, Allianz, and various international funds.

Table of money market and trust funds including companies like Standard Bank, Standard Bank, and various money market funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds including companies like Allianz, Allianz, and various international funds.

TRADITIONAL OPTIONS

Table of traditional options including 3-month call rates and various option contracts.

Vertical text on the right edge of the page, possibly a page number or reference.

COMMODITIES AND AGRICULTURE

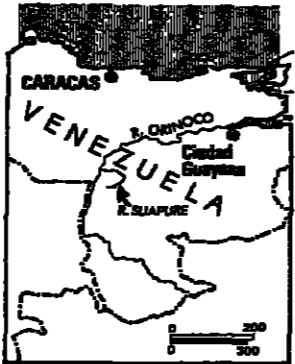
World grain stocks record forecast

WORLD CEREAL stocks are forecast to rise during the 1985-86 season by about 20 per cent to a record 377m tonnes...

Venezuela moves ahead \$460m bauxite project

BY JOE MANN IN CARACAS

AFTER YEARS of delays, the Venezuelan Government is moving ahead with development of a bauxite mine expected to produce 3m tonnes per year...



The project, run by a state-owned company called CVG Bauxita Venezolana (Bauxivan), is expected to require a total investment of around \$462m...

— have not been decided on yet. If and when the mine reaches its 3m-tonnes-a-year design capacity...

Two successive governments identified Bauxivan as a necessary project but were unable or unwilling to make any real progress...

LONDON MARKETS

THIS WEEK'S relatively gentle coffee price continued yesterday with the May futures position finishing \$28.50 lower...

INDICES FINANCIAL TIMES

Table showing financial indices for April 1, 1986, including the FTSE 100 and other market indicators.

MAIN PRICE CHANGES

Table listing price changes for various commodities such as metals, oil, and grains.

US MARKETS

OIL FUTURES closed firmer. The reversal in sentiment was induced by US Vice-President George Bush's comments that he would emphasize importance of stabilising oil prices...

NEW YORK

Table showing market data for New York, including prices for aluminum, copper, and other metals.

CHICAGO

Table showing market data for Chicago, including prices for live cattle, hogs, and soybeans.

US withdrawal from coffee pact 'would not be catastrophe'

US WITHDRAWAL from the International Coffee Agreement is a worrying possibility but would not be a complete catastrophe for the trade...

Obviously, a US withdrawal would do a heavy blow to the world's major consumer. It would lead to a situation of erratic price fluctuations...

ALUMINIUM

Table showing aluminum market data, including prices for primary metal and various grades.

COPPER

Table showing copper market data, including prices for high-grade and low-grade metal.

LEAD

Table showing lead market data, including prices for high and low grades.

NICKEL

Table showing nickel market data, including prices for high and low grades.

TIN

Table showing tin market data, including prices for high and low grades.

ZINC

Table showing zinc market data, including prices for high and low grades.

GOLD

Table showing gold market data, including prices for various gold bars and coins.

CRUDE OIL

Table showing crude oil market data, including prices for different oil grades.

PLATINUM

Table showing platinum market data, including prices for various platinum bars.

SILVER

Table showing silver market data, including prices for various silver bars and coins.

COCAOA

Table showing cocoa market data, including prices for various cocoa beans.

MEAT

Table showing meat market data, including prices for various types of meat.

WHEAT

Table showing wheat market data, including prices for various wheat grades.

SOYBEAN MEAL

Table showing soybean meal market data, including prices for various meal grades.

SOYBEAN OIL

Table showing soybean oil market data, including prices for various oil grades.

WHEAT

Table showing wheat market data, including prices for various wheat grades.

BARLEY

Table showing barley market data, including prices for various barley grades.

COFFEE

Table showing coffee market data, including prices for various coffee grades.

GRAINS

Table showing grain market data, including prices for various grain types.

WHEAT

Table showing wheat market data, including prices for various wheat grades.

SOYBEAN

Table showing soybean market data, including prices for various soybean grades.

SUGAR

Table showing sugar market data, including prices for various sugar grades.

POTATOES

Table showing potato market data, including prices for various potato grades.

Ethiopia's rehabilitation effort falters

BY JOHN MADELEY, RECENTLY IN ETHIOPIA

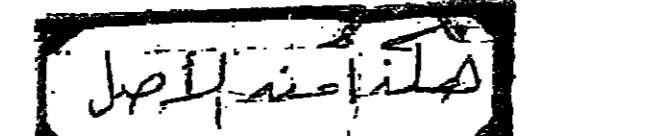
A BIG question mark hangs over the Ethiopian Government's rehabilitation programme...

THE IRIGATION Department of the Ministry of Agriculture in Addis Ababa has such a limited budget...

agriculture, there is also a case for western countries to step up development aid to help...

agitation is taken more seriously than Ethiopia is likely to receive from aid...

and bookkeeping ahead of weekend could limit upside move till next week...



CURRENCIES MONEY and CAPITAL MARKETS

Legal Notices

FOREIGN EXCHANGES Dollar up in erratic trading

The dollar fluctuated quite sharply in nervous and erratic trading yesterday. There was no clear consensus as to how the dollar was likely to perform over the short term against a background of all price instability and conflicting views on how central banks viewed the dollar's recent performance.

£ IN NEW YORK

Table with columns: Date, Price, % change, etc. for Sterling in New York.

STERLING

STERLING trading range against the dollar in 1986 is 1.5115 to 1.5770. March average 1.4681. Exchange rate index 76.5, unchanged from the opening and Wednesday's close and compared with 80.3 six months ago.

FINANCIAL FUTURES Late fall in gilts

Long term gilt futures fell in late trading on the London International Financial Futures Exchange. Dealers could find no particular reason for the fall, but mentioned nervousness at the recent strength of both sterling and dollar denominated interest rate contracts.

LIFE LONG GILT FUTURES OPTIONS

Table showing Life Long Gilt Futures Options with columns for Strike, Price, etc.

LIFE US TREASURY FUTURE OPTIONS

Table showing Life US Treasury Future Options with columns for Strike, Price, etc.

June US Treasury bonds opened firm and finished higher on the day, but below the opening level. There was no new US economic news and the market's attention was attracted by oil news.

POUND SPOT - FORWARD AGAINST POUND

Table showing Pound Spot and Forward rates against the pound.

CURRENCY MOVEMENTS

Table showing currency movements for various currencies.

CHICAGO

Table showing market data for Chicago.

LONDON

Table showing market data for London.

THREE-MONTH EURO-DOLLAR

Table showing Three-Month Euro-Dollar rates.

DOLLAR SPOT - FORWARD AGAINST DOLLAR

Table showing Dollar Spot and Forward rates against the dollar.

CURRENCY RATES

Table showing currency rates for various currencies.

CHICAGO

Table showing market data for Chicago.

LONDON

Table showing market data for London.

CURRENCY FUTURES

Table showing currency futures rates.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates.

OTHER CURRENCIES

Table showing other currency rates.

STERLING INDEX

Table showing Sterling Index data.

EXCHANGE CROSS RATES

Table showing exchange cross rates.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit rates.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates.

MONEY MARKETS

London rates eased. The London money market yesterday, as dealers remained optimistic of a cut in clearing bank base rates.

NEW YORK RATES

Table showing New York rates.

LONDON MONEY RATES

Table showing London money rates.

MONEY RATES

Table showing money rates for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates.

LONDON MONEY RATES

Table showing London money rates.

WORLD VALUE OF THE DOLLAR

Large table showing the world value of the dollar across various countries and currencies.

THE INSURANCE COMPANIES ACT 1982

NOTICE IS HEREBY GIVEN that an Application was on 17th March 1986 presented to the Secretary of State for Trade and Industry by St. Paul Fire and Marine Insurance Company.

THE INSURANCE COMPANIES ACT 1982

NOTICE IS HEREBY GIVEN that an Application was on 17th March 1986 presented to the Secretary of State for Trade and Industry by The Home Insurance Company.

THE INSURANCE COMPANIES ACT 1982

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) in the Matter of the Companies Act 1985.

Art Galleries

Art Galleries advertisement listing various galleries and their locations.

Art Galleries

Art Galleries advertisement listing various galleries and their locations.

LONDON SHARE SERVICE

Table containing BRITISH FUNDS, AMERICANS-Cont., and AMERICANS. It lists various fund names, their prices, and performance metrics.

BUILDING, TIMBER, ROADS-Cont.

Table listing shares in the Building, Timber, and Roads sectors, including company names and prices.

DRAPERY & STORES-Cont.

Table listing shares in the Drapery and Stores sectors, including company names and prices.

ELECTRICALS

Table listing shares in the Electricals sector, including company names and prices.

CHEMICALS, PLASTICS

Table listing shares in the Chemicals and Plastics sectors, including company names and prices.

DRAPERY AND STORES

Table listing shares in the Drapery and Stores sectors, including company names and prices.

SEEDS, WINES & SPIRITS

Table listing shares in the Seeds, Wines, and Spirits sectors, including company names and prices.

BUILDING, TIMBER, ROADS

Table listing shares in the Building, Timber, and Roads sectors, including company names and prices.

AMERICANS

Table listing shares in the American market, including company names and prices.

ENGINEERING-Continued

Table listing shares in the Engineering sector, including company names and prices.

INDUSTRIALS-Continued

Table listing shares in the Industrials sector, including company names and prices.

FOOD, GROCERIES, ETC.

Table listing shares in the Food, Groceries, and other sectors, including company names and prices.

HOTELS AND CATERERS

Table listing shares in the Hotels and Caterers sectors, including company names and prices.

INDUSTRIALS (Miscellaneous)

Table listing miscellaneous shares in the Industrials sector, including company names and prices.

AMERICANS (Continued)

Table listing additional shares in the American market, including company names and prices.

AMERICANS (Continued)

Table listing additional shares in the American market, including company names and prices.

AMERICANS (Continued)

Table listing additional shares in the American market, including company names and prices.

AMERICANS (Continued)

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AMERICANS (Continued)

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AMERICANS (Continued)

Table listing additional shares in the American market, including company names and prices.

AMERICANS (Continued)

Table listing additional shares in the American market, including company names and prices.

INDUSTRIALS—Continued

Table of industrial stocks including companies like ICI, British Petroleum, and various engineering firms with columns for price, change, and volume.

LEISURE—Continued

Table of leisure and entertainment stocks including British Airways, British Telecom, and various travel agencies.

PROPERTY—Continued

Table of real estate and property-related stocks including various land and building companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British American Trust, British Overseas Trust, and others.

FINANCE, LAND—Cont.

Table of financial and land-related stocks including various banks and land development firms.

MINES—Continued

Table of mining stocks including various metal and coal mining companies.

MOTORS, AIRCRAFT TRUCKS

Table of motor vehicles, aircraft, and truck manufacturers including Rover, Leyland, and others.

Commercial Vehicles

Table of commercial vehicle manufacturers including various truck and bus makers.

Garages and Distributors

Table of garage and distributor companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising companies.

SHIPPING

Table of shipping and maritime companies.

INSURANCES

Table of insurance companies.

PROPERTY

Table of property-related companies.

TOBACCO

Table of tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related companies.

INVESTMENT TRUSTS

Table of investment trusts.

FINANCE, LAND, etc

Table of finance, land, and other related companies.

Recent Issues and 'Rights' Page 42 (International Edition Page 40) This service is available to every company listed in the London Stock Exchange throughout the United Kingdom for a fee of £200 per annum for each company.

WORLD STOCK MARKETS

AUSTRIA table with columns: Stock, Price, Change. Includes Creditanstalt, Erste Bank, etc.

GERMANY table with columns: Stock, Price, Change. Includes Allianz, Commerzbank, etc.

NETHERLANDS table with columns: Stock, Price, Change. Includes AEG, Alcatel, etc.

FRANCE table with columns: Stock, Price, Change. Includes Air Liquide, Bouygues, etc.

ITALY table with columns: Stock, Price, Change. Includes Ansaldo, Fiat, etc.

SPAIN table with columns: Stock, Price, Change. Includes Banco Compa, etc.

SWITZERLAND table with columns: Stock, Price, Change. Includes Adia Ind, etc.

FINLAND table with columns: Stock, Price, Change. Includes Aktia, etc.

DENMARK table with columns: Stock, Price, Change. Includes Danfoss, etc.

NORWAY table with columns: Stock, Price, Change. Includes Bergens Bank, etc.

ALGERIA (continued) table with columns: Stock, Price, Change. Includes Gen. Prod. Trust, etc.

JAPAN (continued) table with columns: Stock, Price, Change. Includes Dai-ichi Kangyo Bank, etc.

HONG KONG table with columns: Stock, Price, Change. Includes Bank East Asia, etc.

INDONESIA table with columns: Stock, Price, Change. Includes PT Pindad, etc.

PHILIPPINES table with columns: Stock, Price, Change. Includes Philippine Bank, etc.

THAILAND table with columns: Stock, Price, Change. Includes Siam Commercial Bank, etc.

INDONESIA (continued) table with columns: Stock, Price, Change. Includes PT Pindad, etc.

INDONESIA (continued) table with columns: Stock, Price, Change. Includes PT Pindad, etc.

CANADA table with columns: Stock, Price, Change. Includes Alcan, etc.

TORONTO table with columns: Stock, Price, Change. Includes Alcan, etc.

NEW YORK table with columns: Stock, Price, Change. Includes Dow Jones, etc.

INDICES table with columns: Index, Value, Change. Includes NYSE, FTSE, etc.

INDICES (continued) table with columns: Index, Value, Change. Includes NYSE, FTSE, etc.

INDICES (continued) table with columns: Index, Value, Change. Includes NYSE, FTSE, etc.

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INDICES (continued) table with columns: Index, Value, Change. Includes NYSE, FTSE, etc.

MONTREAL table with columns: Stock, Price, Change. Includes Alcan, etc.

INDICES table with columns: Index, Value, Change. Includes NYSE, FTSE, etc.

INDICES (continued) table with columns: Index, Value, Change. Includes NYSE, FTSE, etc.

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OVER-THE-COUNTER Nasdaq national market, 2.30pm prices. Includes Montgomery Street logo and contact information.

LONDON Chief price changes. Includes list of companies and their price changes.

ISTANBUL ANKARA SPECIAL SUBSCRIPTION HAND DELIVERY SERVICE. Includes contact information for DUNYA.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Prices at 3 pm, April 3

Main table containing stock prices for various companies, organized in columns with headers for 12 Month High/Low, Stock Name, Price, and Change.

Continued on Page 43

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices. Columns include 12 Month High, Stock, Div. Yld., P/E, 1968 High, Low, and Change. Lists various stocks such as AAPL, IBM, and Xerox.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices. Columns include Stock, Div. Yld., P/E, 1968 High, Low, and Change. Lists various stocks such as AMEX, BAX, and CAC.

OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

Table of Over-the-Counter prices. Columns include Stock, Sales, High, Low, Last, and Change. Lists various stocks such as ALC, AMR, and BAC.

UK COMPANY NEWS IN-DEPTH REPORTING DAILY IN THE FT

Section containing UK company news and financial reports, including details on various firms and their performance.

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Continuation of the AMEX Composite Prices table from the previous page.

